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NEWS SUMMARY

GENERAL

Iraqi raid hits Iranian oil port

Iraqi planes bombed the Iranian gulf port of Bandar Khomeini setting fire to petro chemical installations and reportedly hitting a ship as it offloaded in the port.

According to eyewitnesses the dawn attack was made by two flights of Iraqi Mig jets. They struck the merchant port and the nearby joint Iran and Japan petrochemical complex. The Iran and Japan consortium constructing the £2bn plant, led by Mitsui, is still discussing the future of the complex which hangs in doubt since the Gulf war escalation made completion impossible.

Iran acknowledged the attack. It is the second on Bandar Khomeini since the beginning of the month.

Australia deal

Australia has chosen the F/A-18 Hornet made by McDonnell Douglas of the U.S. as a front-line fighter bomber for the Royal Australian Air Force. Potential orders could be worth £1.25bn. Back Page

Greece changes

Andreas Papandreou is expected to proceed swiftly with the major appointments of his new Government in Greece after George Rallis formally resigns this morning. Back Page

Pay-offs foiled

Northern Ireland police failed a third attempt to pay off Ben Dunne's kidnappers. Earlier they foiled a second attempt after a shoot-out with three masked men in the Irish Republic. A Catholic priest, thought to be a go-between, was questioned.

Riot guidance

Guidelines to govern police use of CS gas and plastic bullets against rioters has been issued to top UK police officers, Home Secretary William Whitelaw said.

House price drop

There is increasing evidence of a downward tilt in the house price market, says the Royal Institute of Chartered Surveyors. Page 8

Gibraltar lobby

A Gibraltar delegation headed by Chief Minister Sir Joshua Hassan arrived in London to lobby MPs as the British Nationality Bill moved to the House of Commons.

Intelligence links

Egypt has found a connection between the squad of four men who assassinated President Sadat and an officer with military intelligence links arrested last week. Page 3

Syria troop move

Soviet ships were standing by in Syria to transport several thousand Syrian troops to Libya heightening concern that a new Libyan military move was afoot, Egypt's defence minister said.

Physics prize

Nicholas Bloembergen and Arthur Schawlow of the U.S. and Kai Siegbahn of Sweden were awarded the Nobel Prize for physics. Page 3

Tour alternatives

Lord's issued no official statement on England's scheduled tour of India but Test and County Cricket Board officials were believed to have discussed possible alternative tours to New Zealand and Sri Lanka.

Briefly...

Gunmen shot dead two policemen and wounded a third in a Milan street battle.

Dutch scientists recorded an underground nuclear explosion at the Soviet Siberian testing grounds.

Bill Williamson, veteran of the Boer War siege of Ladysmith, celebrated his 103rd birthday in Derbyshire.

BUSINESS

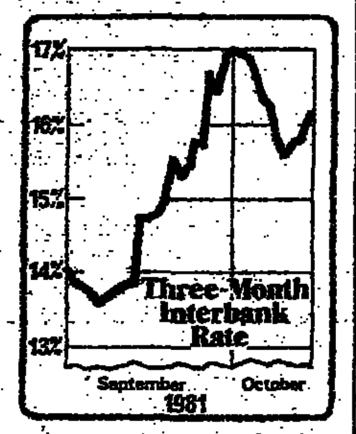
Gold off $9; gilts firmer

● GOLD closed at $436 in London, a fall of $9 on Friday's close. In New York, the Comex October close was $436.2. Page 24

● GILTS regained early losses and closed higher. The Government Securities index rose 0.2 to 61.32. Page 32

● EQUITIES' gains faded after Wall Street's easier opening. The FT 30-share index added 0.9 to 464.3. Page 32

● WALL STREET was off 4.47 at 847.22 near the close. Page 29



● UK MONEY market rates continued to firm, with the three-month inter-bank rate rising by 1/4 to 16 1/4 per cent. Page 24

● STERLING was firmer overall, its trade-weighted index rising to 88 (87.4). It rose 70 points to $1.841. It was DM 4.1125 (DM 4.105), and FFr 10.3 (FFr 10.275) but was unchanged at SwFr 3.42. Page 24

● DOLLAR trade-weighted index fell to 108.2 (108.4). It eased to DM 2.2325 (DM 2.2375) and SwFr 1.8625 (SwFr 1.87), but improved to Y 232.25 (Y 230.5). Page 24

● UK COMPANIES had a capital surplus of £1.1bn in the first half this year, against a deficit of £1bn in the second half last year. Back Page

● JAPAN rejected EEC charges that it does not offer conditions of market access similar to those of other industrial countries. Page 6

● WESTDEUTSCHE Landesbank is discussing a capital injection of DM 700m (£170m) from the North Rhine-Westphalia state government. Page 25

● BANOBRAS, Mexican public works bank, loaned the ailing Grupo Industrial Alfa, the country's largest holding company, 17bn pesos (£357m) on commercial terms.

COMPANIES

● ICL, UK computer manufacturer, reached a reciprocal marketing agreement with Mitel, Canadian telecommunications manufacturer. Back Page

● ILLINGWORTH MORRIS: a row over the price at which Mrs Pamela Mason has agreed to sell the controlling interest went to the High Court. Page 20

● CAM GEARS of South Wales won a £50m six-year contract for steering gear for Ford of North America. Page 6

● MARKS AND SPENCER advanced pre-tax profits by 24.8 per cent to £86m for the 26 weeks to September 26. Page 20; Lex, Back Page

● MOTHERCARE saw pre-tax profits fall 18 per cent to £6.6m for the 26 weeks to September 25. Page 21; Lex, Back Page

● BRYANT HOLDINGS, construction and property group, increased taxable profits from £7.81m to £8.64m for the year ended May 31. Page 20

● BPM HOLDINGS, newspaper printer and publisher, announced pre-tax profits down from £5.47m to £2.57m for the year ending June 27. Page 20

● TECHNIP, French engineering company, won a contract for Indonesia's first newsprint plant, expected to cost £120m. Page 6

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			
Treas 12pc 1984	£91 1/4	+	1
Exchq 12pc 2013-17	£84	+	1
Amalg Metal	550	+	140
Edbro	62	+	7
Erskine House	40	+	5
Glaxo	388	+	14
LWT A	105	+	7
Scottish TV A	78	+	4
North Sea Assets	44	+	4
Baraoora	90	+	6
New Sylhet	160	+	20
Surmah Valley	95	+	5
Rand London Coal	86	+	4
FALLS			
Gerrard & National	262	−	6
Phoenix Timber	92	−	8
Stand Telephones	379	−	10
Unitech	195	−	10
KCA Intnl	125	−	7
MIM Hldgs	214	−	10
Western Mining	265	−	11

Sale of state oil production planned to raise £1.3-£2bn

BY SUE CAMERON

THE GOVERNMENT plans to raise between £1.3bn and £2bn by selling the British National Oil Corporation's entire crude production business to the private sector and by forcing the British Gas Corporation to put its North Sea oil interests on the market.

The monopoly rights over gas supplies to industrial customers held by British Gas are to be ended.

Mr Nigel Lawson, the Energy Secretary, who was jeered by Opposition MPs when he anounced the move in the Commons yesterday, said the proposals amounted to the "biggest programme of privatisation ever to come before Parliament."

Mr Philip Shelbourne, chairman of BNOC, is likely to be delighted by the announcement that private investors are to be given a majority stake in the State-owned corporation. Only a week ago he stated that privatisation would "free the corporation from the day to day control of the Treasury and was therefore much to be welcomed."

ESTIMATED VALUE OF BRITISH GAS OIL INTERESTS (£m.)

Field	*	†
Beryl (10.00%)	79	112
Fulmar (3.87%)	42	55
Hutton (10.31%)	40	66
NW Hutton (25.77%)	238	275
Montrose (30.80%)	26	32
Wytch Farm (50.00%)	125	180
Possible value of other UK acreage	0	150
Possible value of Irish acreage	0	30
Total	550	900

Exchange rate of $1.90=£1 assumed throughout.

* Assumes North Sea oil price will remain at $35 a barrel until end of 1982 and then rise 8 per cent a year. Cash flows from the fields are deflated at 8 per cent a year and further discounted at 10 per cent a year.

† Assumes North Sea price of $35.50 for 1982, then rising 8 per cent a year. Cash flows are deflated at 8 per cent a year and further discounted at 5 per cent.

Source: Wood Mackenzie

But Sir Denis Rooke, chairman of British Gas, is expected to put up fierce opposition to the Government's plans. Mr Lawson told a Press conference that Sir Denis had not been "wholly enthusiastic" when told of the proposals.

BNOC's oil production interests are generally estimated to be worth £750m although some estimates put their value at up to £1.2bn. The corporation probably ranks

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Lawson announcement, Page 12

Miners give Government surprise relief on pay

BY CHRISTIAN TYLER, LABOUR EDITOR

TRADE UNION pressure on the Government's informal wages policy was unexpectedly eased yesterday when miners' leaders decided to mark time on their pay negotiations.

Moderates in the National Union of Mineworkers agreed to a three-week adjournment of talks between the NUM and the National Coal Board to prevent the union's wage claim becoming entangled with the confrontation developing at BL, where car workers have voted to strike from November 1 in protest at a 3.8 per cent pay offer.

Mr Joe Gormley, retiring president of the NUM, admitted that the move was designed to take the miners away from the head of the pay queue—a position from which the NUM Left had hoped to lead a general union assault on the Government's economic strategy this winter.

After meeting the NUM the National Coal Board denied that there was any political calculation behind the agreement that talks resume on November 11, ten days after the mineworkers' next wage settlement is due.

Mr Gormley said: "I have no doubt that the Government has been whispering to them, but I don't think they have come under Government influence."

NUM negotiators predictably rejected yesterday a detailed offer worth £71m in wages and fringe benefits which had been outlined to them at the first negotiation. But they appeared confident that the offer—the equivalent of 6-8 per cent on basic rates—would be improved next time.

Left-wingers were curiously silent about yesterday's manoeuvre, apparently because of their preoccupation with the more important long-term issue of the presidential succession.

Indeed, the only militant noises came not from Mr Arthur Scargill, Yorkshire president and the Left's front-running candidate, but from Mr Ray Chadburn, president of the Nottinghamshire coalfield and Mr Scargill's main challenger from the Right.

Mr Chadburn said: "This particular offer could precipitate a strike. It is totally insulting."

The NCB's £71m offer would cost £85m over 12 months once indirect costs are added. Yesterday the NCB proposed that £58m be used to increase basic rates by an average 5.3 per cent, with rises ranging from £4.25 a week for the lowest paid surface

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Malaysia bids for AMC stake

BY IAN RODGER

PERMODALAN NASIONAL, the Malaysian Government investment institution which last month surprised the London stock market with its rapid takeover of the Guthrie Corporation, is bidding against Preussag, the West German company, for the minority shares of Amalgamated Metal Corporation.

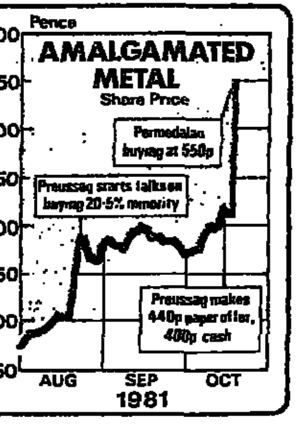
Preussag, which already holds 79.5 per cent of AMC, last week offered 440p in shares or 400p in cash for each AMC share.

Permodalan is offering 550p in cash, which values AMC at £34.5m. The shares rose yesterday from 410p to 550p. AMC's major asset is a tin-smelting subsidiary in Malaysia. Permodalan said it did not want to see the ownership of these assets changing at a price well below their worth.

AMC's four independent directors, who last week reluctantly agreed to Preussag's terms, welcomed the Permodalan offer as fair and reasonable and recommended that minority shareholders accept it.

Preussag said it was surprised and disappointed by the Permodalan offer but would probably decide by the weekend whether to raise its own offer.

Permodalan is making its offer by the procedure known as standing in the market, taking any offers up to 550p. Under new City takeover rules it would have to cease buying for seven days when it acquired 14.9 per cent of the shares.



A takeover in this case is impossible, however, unless Preussag agrees to sell, so Permodalan has sought assurances from the City Takeover Panel that it would be allowed to buy all the minority shares tendered.

The panel said yesterday it doubted the problem would arise but if it did the 15 per cent rule could probably be waived.

Permodalan said it had acquired AMC shares in the market yesterday but did not say how many.

Asked if it was interested in taking over AMC, Permodalan said that was a hypothetical question which would arise only if Preussag indicated it was prepared to sell.

Preussag is being advised by Lazard Brothers, Permodalan by the Trade Development Bank and the independent directors of AMC by Morgan Grenfell.

Preussag acquired a controlling 53 per cent interest in AMC in 1978 from Patino, the Dutch group, and then raised its stake to 79.5 per cent through the obligatory full bid.

At the time Preussag made clear it did not want to acquire the minority shares and the independent directors recommended shareholders to retain them.

In the past year, however, AMC's profits have deteriorated. Although 1980 profits were up 32 per cent before tax, to £10.8m, second-half results were poor. The final dividend was cut from 11p to 6p. Profits in this first-half were down from £7.27m to £3.35m.

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Malaysian PM confirms trade curb, Back Page

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National Freight buy-out approved

By Lynton McLain, Transport Correspondent

THE GOVERNMENT yesterday gave approval for the management and staff of the State-owned National Freight Company to buy the company from the Government for £53.5m.

The "buy-out" is the biggest proposed in Britain, and the first in a nationalised industry.

The sale will mark the first 100 per cent de-nationalisation of a State industry since the Government took office two years ago.

The Government sold 50 per cent of British Aerospace to the private sector earlier this year.

The sale agreement for NFC, the largest road transport group, is subject to the consortium which wants to buy the company raising the money by March 31 next year, the deadline set by the Government yesterday.

This deadline is "not absolute," the Transport Department said yesterday after Mr David Howell, the Transport Secretary, announced in a written Parliamentary answer acceptance of the terms for the sale.

More than 93 per cent of the money to buy the corporation will be raised through borrowings to be made by the proposed private company.

This amounts to about £50m of loans over 10 years, with no capital repayments for the first two years.

This money will be provided by a group of UK banks, the Freight Corporation said yesterday. The money was "in place" two weeks after the banks received the financial proposals from National Freight and Barclays Merchant Bank, which advised it and now leads the consortium of banks.

The other banks are Barclays, County, Lloyds, National Westminster, and Williams and Glyn's.

The banks will provide £30m in the form of a working capital facility.

The balance of the £53.5m purchase price has to be provided by personal investments by the management, staff and pensioners. Together they must raise between £3m and £4.25m depending on which of two alternative financing schemes is chosen.

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Solidarity appeal for ending of wildcat strikes

BY CHRISTOPHER BOBINSKI IN WARSAW

THE SOLIDARITY union yesterday appealed to its 9.5m members to suspend all "unjustified" strikes, following calls from the ruling Polish Communist Party for a ban on industrial stoppages.

The appeal, from a meeting of the union's governing praesidium in Gdansk and telexed to all branches, came a day after the replacement of Mr Stanislaw Kania as leader of the Communist Party by General Wojcieck Jaruzelski. It said Solidarity would "make efforts to eliminate unjustified stoppages and those which are called before all possible means of agreement are exhausted."

The praesidium warned, however, that the authorities "must remove the objective causes of strikes rather than introduce bans."

The message went out as the Government claimed more than half the regions in the country were affected by strikes and a stoppage involving 12,000 workers in Zyradow, 25 miles west of Warsaw, entered its second week.

The Torun and Wroclaw regional branches of the union yesterday called a strike alert to protest over food shortages.

Union officials at a textile factory in the town said: "The situation is tense. The women do not listen to us any more. They weep and say they have nothing to feed their children."

In Grudziadz the union is organising a hunger march next Thursday, while a strike in all the factories in the town has been called for October 29.

In Zielona Gora, in the west of Poland, seven plants went on strike over the dismissal of the union leader in a local state farm.

Stoppages at chemical plants in Police have been suspended pending talks with the ministry on wage benefits. In Ostroleka, north-east of Warsaw, the local union leadership suspended a food strike alert.

Mr Lech Walesa, the union's leader, returns from a visit to France tomorrow and a full meeting of Solidarity's policy-making National Commission is due to be held in Gdansk on Thursday.

The meeting will review the union's situation following the change in the party leadership, and decide on its approach to Gen. Jaruzelski, who is under pressure to ban strikes.

Gen. Jaruzelski plans to call a meeting within the next two weeks at which he will present his candidates for the ruling Comunist Party Politburo and reveal how he intends to bring non-party members into the Government.

David Satter adds from Moscow:

The Soviet Union yesterday signalled is approval of the selection of General Jaruzelski as the new head of the Polish Communist Party.

Mr Leonid Brezhnev, the Soviet President, in a congratulatory telegram sent to Mr Jaruzelski, referred to him as a "consistent supporter" of the "inviolable freindship" between the Soviet Union and Poland.

The telegram, which was published by the Soviet news agency TASS, also expressed confidence that Mr Jaruzelski would use his "great prestige" to "rally the ranks" of the Polish party to defend the "gains of the Polish working class" against "the encroachments of counter-revolution" and overcome the economic crisis in the country and strengthen its sovereignty.

Mr Brezhnev promised that Mr Jaruzelski could count on the "understanding and support" of the Soviet Union in the persuit of his goals, and that the Soviet Union was "sincerely interested" that the cause of friendship between the Soviet Union and Poland would grow stronger for the benefit of both countries.

The telegram to Mr Jaruzelski presented a marked contrast to the terse message sent to Mr Stanislaw Kania, his predecessor, when Mr Kania was re-elected as party leader at the Polish party congress in July.

At that time, Mr Brezhnev sent Mr Kania a brief seven line telegram which was devoid of any words of personal praise and addressed Mr Kania as "respected Mr Kania," instead of "Dear Mr Kania," as would have been normal for the leader of a socialist state.

In a report from Warsaw yesterday, TASS cited the Polish Party's call for resolute action against "counter-revolutionary forces

In his first official act as party leader, General Jaruzelski attended a meeting of defence chiefs yesterday, the official Polish news agency PAP reported.

It said the armed forces were set tasks by the Party Central Committee meeting which appointed General Jaruzelski.

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£ in New York

—	Oct. 16	Previous
Spot	$1.8540-8580	$1.8530-8580
1 month	0.05dis-0.02pm	0.05dis-0.02pm
3 month	0.15-0.25pm	0.15-0.25pm
12 months	1.25-1.45pm	1.10-1.30pm

U.S. prepared to press allies on missile timetable

BY BRIDGET BLOOM

THE U.S. is expected to urge its European allies to proceed on schedule with the deployment of new nuclear missiles in Europe at a meeting of Defence Ministers of the North Atlantic Treaty Organisation which opens at Gleneagles, Scotland, today.

The 13 Ministers meet regularly as the Nato Nuclear Planning Group (only France and Iceland are not present, and will have, at the top of their agenda, the implementation of the 1979 decision to base U.S. cruise and Pershing missiles in five European countries.

The meeting in Scotland is the last time Nato Ministers will meet collectively before the U.S. opens talks with the Soviet Union on the limitation of these so-called theatre nuclear weapons.

Mr Casper Weinberger, U.S. Defence Secretary, would clearly like a resounding recommitment from his Nato colleagues to the deployment decision if only as a bargaining counter to present at the Geneva talks with the Soviet Union which will open on November 30.

Britain and Italy will be to able to inform the meeting that initial construction work is proceeding for basing cruise missiles in Berkshire and Sicily. But West Germany, the Netherlands and Belgium continue to face mounting domestic pressure against the missile deployment.

U.S. and British officials privately believe there is no hope that the Netherlands, which has officially postponed acceptance, will ever deploy the planned 48 cruise missiles and they also fear a similar outcome in Belgium. All also recognise the problems facing West Germany, while viewing the continued commitment of Bonn to misile deployment as vital to the whole modernisation plan.

While Mr Weinberger would like a communique at the end of the meeting tomorrow which unequivocally commits Nato to deploy the missiles, the most he can expect is a reaffirmation that deployment must go hand in hand with negotiation.

Formally, the U.S. is consulting allied Foreign Ministers rather than Defence Ministers on its negotiating stance for the Geneva talks. Foreign affairs officials will meet at least once more before November 30 in Nato's special consultative group.

The broad outline will undoubtedly be covered, however, by the Defence Ministers in Scotland, who will also hear from the U.S. on its latest assessment on the build-up of Soviet nuclear weapons

In the past few weeks, U.S. officials have begun to talk of a "reload capability" for the 250 Soviet SS-20 missiles now deployed, 175 of them towards Europe. The officials claim that each missile launcher can be reloaded, which would give the Russians a total capacity of 1,500 and not, as previously publicised, 750 warheads.

French jobless figures show slight improvement

BY DAVID WHITE IN PARIS

FRENCH unemployment showed a slight improvement last month after compensation for seasonal factors, with the adjusted total of job-seekers standing at 1.81m.

September's adjusted unemployment figure was 1.3 per cent down on August but still showed a 25.4 per cent rise over the past 12 months.

The figures published by the Labour Ministry yesterday, however, did little to enhance the economic picture after the announcement of one of the country's worst monthly trade performances — a deficit of FFr 7.6bn (£757m) on an adjusted basis

The visible trade deficit followed one of only FFr 160m the previous month, and was well up on the September 1980 shortfall of FFr 5.6bn. However, M Michel Jobert, Foreign Trade Minister, was optimistic that the deficit for the year would fall short of last year's FFr 60bn.

Bonn may raise its borrowing limit

By Jonathan Carr in Bonn

THE WEST GERMAN Government is already reconsidering its recent decision to hold its net borrowing next year to DM 26.5bn (£6.5bn)—markedly less than this year's figure.

This became clear yesterday following talks between the two coalition parties on how to deal with a newly-emerging budget deficit for 1982 which could total some DM 7bn.

The shortfall is based on new government estimates that real economic growth next year might be only about 1.5 per cent instead of 2.5 per cent. Such a fall which implies more unemployment and less tax revenue.

The Government will only decide on its new budget measures in about a week, after publication of a report on the outlook for 1982 from the country's five leading economic institutes.

There are strong voices in both parties already arguing that new budget cuts, in addition to those decided by the coalition in the summer, might depress the economy further and lead to a still greater revenue shortfall. Hence, consideration is being given to a bigger credit intake

A decision to borrow more would almost certainly bring criticism from the Bundesbank. The central bank argues that a cut in the state credit intake is one condition for a gradual reduction in domestic interest rates.

Roger Boyes adds: The coalition's problems will almost certainly mean the postponement of the planned meeting between Chancellor Helmut Schmidt and Mrs Margaret Thatcher, the British Prime Minister, next week.

The second reading of the 1982 budget Bill takes place on October 29—the same day that Mrs Thatcher is due in Bonn—and the Chancellor will clearly not be able to combine both events.

West German officials suggest that the meeting may be postponed for 24 hours only, but diplomats are talking of a 14-day delay at least.

Officials stress that postponement of the regular bilateral Anglo-German talks has no connection with the Chancellor's heart surgery, but it is evident an attempt is being made to reduce the leader's workload

THE CHANGES IN POLAND

Jaruzelski expected to steer same course

BY ANTHONY ROBINSON

FRUSTRATION at the inability of the Polish Communist Party to impose its will, and fears of a bitter winter of discontent and economic hardship appear to have been the ruling emotions at last weekend's traumatic Central Committee meeting.

Mr Stanislaw Kania who was confirmed as Party leader by an unprecented free vote of the newly-elected Central Committee at the Party congress only three months ago, became the lightning conductor for attacks from all sides.

Hardliners attacked him for not taking a tougher line with the independent trade union Solidarity, and by moderates who criticised his lack of consistency in working for reforms agreed with Solidarity.

When it came to a vote, however, the committee showed itself to be deeply divided with 104 votes in favour of accepting Mr Kania's offer to resign, 79 against and 17 abstentions. Mr Kania himself was apparently shocked and surprised by the outcome of the vote.

But the subsequent unopposed election of the Prime Minister, Gen Wojciech Jaruzelski to fill the vacant top party post confirms that the party is still not ready to change course and opt for a clash with Solidarity.

If it had been so minded, the party could have chosen a prominent hard-liner like Mr Stefan Olsowski—assuming that the shrewd Mr Olszowski would have accepted.

Up to now Mr Kania and Gen Jaruzelski have been considered a tandem act with both men clearly against the use of force against fellow Poles and thus, by implication, willing to compromise with Solidarity.

Despite the tough tone of much of the Central Committee's weekend declaration, there seems little likelihood of any fundamental change of policy under Gen Jaruzelski, provided Solidarity remains sensitive to the frustrations and anger welling up within the party, and elsewhere in the Eastern bloc.

Significantly, the General hinted at the possibility of bringing non-communists into the Government in a re-shuffle expected later this week.

General Jaruzelski holds an unprecedented accumulation of power. He is Prime Minister, Minister of Defence and now head of the party. He is expected to resign his government positions in order to concentrate on running the party.

Reallocation of his ministerial jobs will provide an opportunity for a re-shuffle and a signal of his intentions.

Pressure from Solidarity and the continuing economic decline mean, however, that his room for manoeuvre is almost as tight as that of Mr Kania. Moscow has in the past linked Mr Kania and Gen Jaruzelski when criticising the Polish leadership. As party leader he will now come in for even closer surveillance from Moscow.

PALMIER DAYS: General Jaruzelski (right), Poland's new leader, with his predecessor Mr Stanislaw Kania.

Nevertheless the General has certain advantages not enjoyed by Mr Kania. He brings to his new post the support of the army and the respect with which the army is viewed by Polish society. He could well represent the last chance for a relatively normal civilian government.

Much will now depend on Solidarity's reaction to the government changes expected this week and whether it will heed the note of desperation about the state of the economy and the party's control over events contained in the Central Committee's weekend resolution.

But if Solidarity chooses to interpret the resolution as an attack on the right to strike and its demands for a bigger share in political and economic decision-making, then the consequences could be the declaration of a state of emergency.

Party demands likely to anger Solidarity's moderates

BY CHRISTOPHER BOBINSKI IN WARSAW

THE WAVE of local strikes over the abysmal situation in the shops has left Solidarity at a loss. The union activists, ever ready to fight for wider issues such as access to the media or putting an end to arbitrary decisions by the authorities have not over the last year managed to do much to make day-to-day life more comfortable.

During the coming winter the union's popularity among ordinary Poles may well depend on its ability to improve the situation in conjunction with the authorities.

The danger is, as Mr Lech Walesa the union leader, is well aware, that the polemics and clashes with the authorities may bring the man in the street to apportion equal blame to both sides for the deteriorating situation.

"I'm with the workers in the factories," Mr Walesa said before he left for his visit to France. "They don't want power because they know it won't be them who get to the top but someone else. All they want is for the situation to improve."

But no one knows quite how much influence Mr Walesa and pragmatists like him can exercise over the union. This is one of the reasons why the Polish authorities will be anxiously watching the Solidarity National Commission meeting on Thursday. The tone of the meeting will tell Gen Wojciech Jaruzelski, the new party leader what chance he has of coming to terms with the union.

The recent Solidarity Congress and the Communist Party's Central Committee meeting at the weekend each produced demands hard for the other side to accept.

Mr Walesa and Gen Jaruzelski, both moderates, may be faced with the possibility of having to by-pass their own hard-liners and co-operate together to stabilise the political situation.

The Congress delegates put together a policy document for Mr Walesa to put into practice which assumes that in the long run the country will develop into a multi-party democracy.

It is difficult to find much of a place for the Communist Party in Solidarity's far-reaching plans. In response, the Party Central Committee has demanded that Solidarity drops its political aspirations and confines itself to being a trade union. The official threat that the right to strike would be suspended and state emergency measures introduced will also anger the most moderate of Solidarity's members.

At the same time, evidence that Gen Jaruzelski is ready to talk with the union came when Government negotiations with Solidarity continued alongside last weekend's Central Committee meeting. They produced the Government pledge to freeze price increases pending consultations with the union. Even a far-reaching demand for a joint economic council which would control the Government's economic policies was left for a working group to discuss.

It is for the union's national leadership to decide whether it wants a head-on clash or is ready to compromise. Even though the Solidarity National Commission includes several influential radicals, Mr Walesa has so far managed to keep the initiative.

He persuaded the Commission to approve his list for the union's Praesidium, which runs day-to-day policy. An important element here was that Mr Welesa won the support of the leaders of such large regions as Silesia, Wrclaw and Krakow. They have come to realise that the union can work efficiently only if the members of the leadership are in tune with their chairman.

With the politicisation of Solidarity and the emergence of various conflicting groups, there is a real danger of rivalries paralysing and eventually breaking up the union.

The situation in the leadership of the Warsaw branch which has almost 1m members lends some credibility to this fear. Here the supporters of KOR the now dissolved dissident group in which Mr Kuron played a leading role and who helped to establish the union in Warsaw are in direct conflict with other members of the leadership eager to cut down their influence. The feud has become a dominant theme at the union's headquarters. It is ominous that the seven-day-old strike by 12,000 textile workers at Zyrardow only 25 miles away seems to attract less attention.

Leslie Colitt reports from Berlin: East Germany has publicly welcomed the choice of General Jaruzelski to head the Polish Communist Party, in marked contrast to an initially non-committal Soviet reaction.

The East German leadership appears to have resigned itself to the change in the hope that a military leader in Poland might be able to curb the influence of Solidarity.

President Erich Honecker of East Germany, expressed his party's pleasure that a "comrade" of General Jaruzelski's qualities had been placed at the head of the Polish party. He wished the General and all "genuine Polish patriots" the full support of the East German party. If General Jaruzelski compromises with Solidarity, however, East Germany can be expected to begin criticising him.

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Sweden secures continuing U.S. aid for arms industry

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

THE U.S. Defence Secretary, Mr Caspar Weinberger yesterday concluded a four-day visit to neutral Sweden, which has evoked critical comment from Moscow, but has fulfilled the expectations of Swedish military leaders.

The Soviet new agency, Tass, described Mr Weinberger as "an unbidden guest" who was trying to coax the Swedes away from their policy of neutrality and to force U.S. arms on them.

In fact, a principal motive of the Swedes has been to ensure the continued supply of advanced U.S. components for weapons they build or intend to build themselves. This first-ever visit to Sweden by a U.S. Defence Secretary has put the seal on the Swedes' success in securing this co-operation.

Mr Weinberger announced the Reagan Administration's approval of the sale by General Electric of an engine to power the new multi-purpose aircraft, code-named JAS, currently being designed for the Swedish air force by a consortium headed by Saab-Scania.

Volvo Flygmotor, the aero-engine subsidiary of the Volvo-Beijer group, will co-operate with General Electric in developing a more powerful version of the GE 404 engine.

The Defence Secretary's visit is also understood to have opened the way for the sale of the latest U.S. Sidewinder missiles for use by Saab Viggen fighters currently in service with the Swedish air force.

The Swedes had previously been worried by delays in deliveries of U.S. components to their arms industry and by the difficulties they had experienced in obtaining new contracts.

Washington was known to have been angered in 1979 when a Swedish company sold to the Russians, for use at Moscow Airport, air traffic control equipment containing advanced U.S. components. Three years ago the Carter Administration blocked Sweden's chances of selling its Viggen fighter to India.

Sweden has pursued a policy of armed neutrality since the 1939-45 war, manufacturing for itself as much as possible of its weaponry. Defence expenditure is high: in the current budget year SKr 18bn (£1.78bn) or some 3.5 per cent of gross national production is allocated to the armed forces.

Sweden's armed neutrality is accepted as contributing to the balance of power in northern Europe, where Norway belongs to the North Atlantic Treaty Organisation and Finland is linked by treaty to the Soviet Union.

Sweden's capacity to deny the use of its air space to Soviet aircraft in time of war is important to the U.S. because it would facilitate the defence of Norway and Nato's northern flank but this is an effect which the Swedes do not like to emphasise.

Mr Weinberger therefore made an unfortunate slip of the tongue in an interview with Swedish journalists just before his departure from Washington when he declared that he did not see Sweden as neutral.

Portugal embroiled in post-colonial controversy

BY OUR LISBON CORRESPONDENT

PORTUGAL'S political and military establishments are embroiled in controversy over a recently released report on decolonisation of the south-east Asian colony of East Timor in 1975.

The row threatens to extend to a detailed examination of how the country dismantled its 600-year-old empire in a matter of months, following the ousting of Portuguese dictatorship in 1974.

The armed forces chiefs of staff were due to meet to discuss the implications of the report and the screening of a television documentary on the Timor issue 10 days ago.

The East Timor report, published last Friday, was released as a result of the documentary, which suggested that leading military and political figures had connived at the invasion of the colony by Indonesia in December 1975.

There is concern that the report, of nearly 1,000 pages, will lead to unrest in the armed forces should the politicians try to make them scapegoats for the affair.

The report states clearly that disaffection in the Portuguese armed forces in Timor stemmed directly from the chaotic post-revolutionary position of the military command in metropolitan Portugal. The army's failure to maintain order and to prevent Jakarta's annexation of the territory was also a result of lack of political support from Lisbon, where the left-wing regime steadfastly declined to take firm action.

It is clear from both the report and the television documentary that politicians at the time, who included many leading Socialists, among them Dr Mario Soares, the former Prime Minister, had virtually accepted the inevitable—Timor's incorporation into Indonesia.

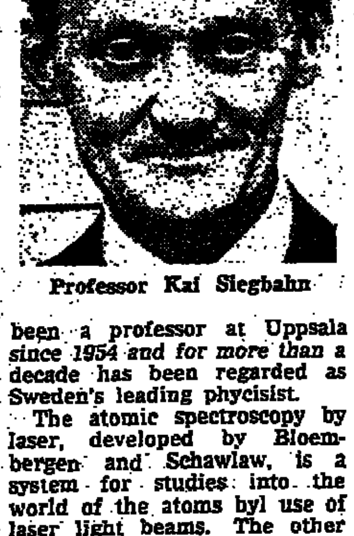
The television film and the report have resulted in a turbulent debate over what is widely regarded as a shameful affair. More than 300,000 East Timorese are believed to have perished since the Indonesian invasion, either as a result of a guerrilla war, which has been waged since 1975, or from starvation.

The Timor question could also lead to a wider examination of the end of Portuguese colonial rule, which saw Marxist Governments come to power in all the former Portuguese African territories. More than 1m Portuguese settlers were dislodged and fled to Portugal with little more than they could carry. Thus, seven years after the event, the colonial question still has widespread political implications.

Nobel science prizes dominated by U.S.

STOCKHOLM—The 1981 Nobel Prize for Physics has been shared between two U.S. and one Swedish academic.

Prof Kai Siegbahn of Uppsala University receives half the $180,000 (£96,000) award. The other half is divided between Profs Nicolas Bloembergen of Harvard and Arthur Schawlow of Stanford University.



Professor Kai Siegbahn

The chemistry prize has been awarded to Prof Kenichi Fukui of Japan and Prof Roald Hoffmann, a Pole living in the U.S., for work on chemical reactions.

The prizes announced yesterday complete this year's Nobel awards and underline continuing U.S. dominance of the science categories. With two U.S. laureates in medicine and a U.S. winner of the special memorial prize for economics, there are six winners from the U.S. out of 10 to be presented with their award on December 10.

Profs Bloembergen and Schawlow were cited by the Swedish Academy of Sciences yesterday for their contribution to "the development of laser spectroscopy." Prof Siegbahn was cited "for his contribution to the development of high-resolution electron spectroscopy.

The Nobel assembly has thus rewarded the development of two forms of atomic spectroscopy which has become a vital instrument for basic nuclear studies.

Prof Bloembergen, who was born in Holland in 1920 and graduated with a doctorate from Leyden University, has been a U.S. citizen since 1958.

Prof Schawlow, 60, was born in Mount Vernon, New York, and has been Professor of Physics at Stanford, California, since 1961.

Prof Siegbahn is 63. He has been a professor at Uppsala since 1954 and for more than a decade has been regarded as Sweden's leading phycisist.

The atomic spectroscopy by laser, developed by Bloembergen and Schawlaw, is a system for studies into the world of the atoms byl use of laser light beams. The other system, electron spectroscopy largely developed by Siegbahn, is for the study of electrons expelled from atomic systems.

In the chemistry award Prof Fukui, 63, of Kyoto University, Japan, and Prof Hoffman, 44, of Cornell University, New York, were cited simply "for their theories, developed independently, concerning the course of chemical reactions."

Prof Fukui has been Professor of Physical Chemistry at Kyoto since 1951, and specialises in hydrocarbon chemistry. Prof Hoffman, who was born in Zloczow in Poland, emigrated to the U.S. in 1949. He was named J. A. Newman Professor of Physical Sciences at Cornell in 1974.

Reuter

Robert Graham in Madrid explains the significance of the latest of Spain's regional elections

Galician unpredictability puzzles the pollsters

ON A country road just outside Lugo, one of the poorest parts of Galicia, I found a wizened peasant couple stopped with their cow, staring at an election poster. "Are you going to vote?" I asked. The man nodded his head and patted the cow. (In Galicia the cow almost has the status of a household pet and is frequently taken for talks tethered to a rope. "Which party will you vote for?" The man smiled broadly: "Oh, I have not decided yet."

The Galician—or "Gallego" —reputation for being contrary, mysterious and unpredictable, has driven the pollsters mad in recent weeks and no one knows what is going to happen when *the polling booths open today* to elect a 61-seat Galician regional parliament.

Sr Manuel Fraga: slick and expensive campaign

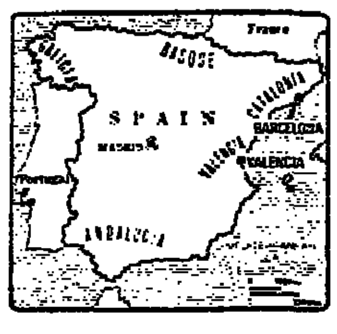
For a start there is uncertainty over turnout, which is traditionally low in this region in north western Spain. In the referendum called last December to endorse Galicia's statute of regional autonomy only 26 per cent of the 2.1m electorate bothered to vote. Poor communications, with 60 per cent of the population living in rural areas, is cited as an excuse. The weather too is blamed: it nearly always rains in this soft Atlantic climate.

However, all the major political parties have made effort this time to get people to the polls in an unprecedented display of electoral energy. Last weekend, nearly half the cabinet was in Galicia. Sr Leopoldo Calvo Sotelo, the Prime Minister, himself a Gallego, has spent four days travelling the region in less than three weeks. In Madrid, it is unkindly said everyone likes campaigning in Galicia. The people are polite and respectful and the food is good.

In spite of these charges, the focus on Galicia is more serious. This is the first test of public opinion for Sr Calvo Sotelo's Government and the opposition since the abortive February coup. As such, the result will be of more than mere regional importance. The performance of the ruling Union de Centro Democratico (UCD) will have a major impact on the morale of the Government and will affect the nature and timing of an impending cabinet reshuffle.

Equally, the position of the Socialist Party, edging closer as the next Government, will be influenced by its showing in Galicia. The personal fate of Sr Manuel Fraga, the veteran right-wing politician, is also at stake. Sr Fraga has traditionally *regarded Galicia as his fief* and large amounts of money have been poured into a very slick campaign for his party, Alianza Popular.

No less important will be the showing of the nationalist parties. In the previous two elections to regional parliaments, in the Basque country and Catalonia, the national parties—especially UCD and the Socialists—have lost ground to the nationalist or regionalist groupings. Galicia does not have the same strong base of nationalist political groupings, although regional identity is strong, through language (Gallego is closer to Portuguese) and historical traditions.



There are three, main nationalist groupings—PSG (a radical left-wing group), Partido Galleguista (similar to the conservative Basque Nationalist Party, PNV) and Esquerda Gallega whose *ideology is a mix of nationalism*, Marxism and Socialism.

The national parties have gone to great lengths to identify themselves with Galicia, a tactic rejected as shallow and cynical in the case of the Basques and Catalans. But with four members of the Government being Galician, the propaganda rings truer.

The UCD has also made sure that the Government dusts off all sorts of plans. Ministers have been promising new roads and better agricultural credits in old style political patronage. The region, which has produced illustrious immigrants such as the Cuban leader Dr Fidel Castro and leaders such as Franco, desperately needs such attention.

Per capita income is reckoned to be half that of Catalonia. At a time when the fishing industry is undergoing major international change, over 80,000 work in this sector and a further 40,000 in the shellfish industry (mainly mussels). Agriculture suffers uneconomic small-holdings and there is little strategic planning in the mainstay dairy industry. The domestic and international recession have closed Galicia's tradtional economic safety valve—emigration.

Such appeals for regional improvement may succeed in the cities like El Ferrol, La Coruna, Pontevedra, Santiago and Vigo. But the electorate's political indifference remains. If this has been broken even a little by the campaign, then this in itself is a breakthrough.

Sr Calvo Sotelo: first test of public opinion

Because the sole yardstick for measuring the results will be the performance in general elections, the parties will have licence to interest the outcome. In the March 1979 elections, UCD obtained 48 per cent of the vote, the Socialists 16 per cent and the right-wing Coalicion Democratica, controlled by Sr Fraga, 15 per cent.

No party is expected to gain an absolute majority. For UCD, 25 seats will be about the minimum face saving number, while if the Socialists can gain more than 20 seats, they can claim to be a party on the ascendant. Sr Fraga's Alianza Popular needs to get 12 seats if he is to consider himself a man with a national political future. If the combined number of seats gained by the nationalists exceeds 15 this will be a good showing for them.

OVERSEAS NEWS

INDIA FACES STIFF IMF TERMS

Subsidies may fall victim to $5.6bn credit

BY K. K. SHARMA IN NEW DELHI

THE INDIAN GOVERNMENT could be required to undertake a major restructuring of fiscal and monetary policies if the International Monetary Fund (IMF) is to agree to its request for a $5.6bn loan under the extended fund facility.

A 69-page document circulated among members of the IMF Executive Board strongly contradicts the impression that the Fund had imposed relatively lax conditions on the loan.

The document will form the basis for examination of India's application of the biggest loan sought so far from the IMF. The Executive Board meets in Washington on November 9 and a decision on the loan is expected by November 15.

The conditions that the Indian Government has accepted are bound to create considerable controversy in the country, which has been told that the IMF would not be allowed to dictate economic policy.

The IMF document makes clear that the Indian negotiators have agreed not only to major changes in policy but also to close consultations with the IMF on the performance of the economy over the three-year period that the loan is to be disbursed.

The most controversial changes in policy pertain to private sector investment, both Indian and foreign, which have been subject to severe restrictions for the past 20 years.

The Indian negotiators have agreed to allow private companies to operate more easily. This could lead to major changes in Indian policy towards the private sector, includinging the relaxation of many controls.

The IMF can be expected to watch carefully the manner in which the Monopolies and restrictive Trade Practices Act is applied. The Act has prevented Fresh investment by large Indian companies in all areas except those in high-technology or in the undeveloped regions of the country.

Change in policy will also benefit foreign investors, who are subject to the same restirctions, in addition to those under the controversial Foreign Exchange Regulation Act, under which most foreign companies can usually own only 40 per cent of the equity in Indian operations.

The IMF loan conditions also require a considerable liberalisation of procedures relating to foreign collaboration and royalty payments. It is expected that foreign companies would find it easier to insist on higher royalty payments than the usual 4 per cent now stipulated, should the loan go through.

The conditions will also mean that the Indian Government will have to liberalise further its import policy.

Another section of the document relates to the pricing policy followed by the government. This requires an upward revision of prices of a number of industrial and agricultural products, effectively reducing Government subsidies.

In a letter of intent sent recently to the IMF by the Indian Finance Minister, Mr R. Venkataraman, the Government has insisted that consultations held with the Fund on policy would be "consistent with national policies accepted by our parliament."

The IMF has not, as it normally does, insisted on a devaluation of the Indian rupee. Nevertheless, it has noted that India recognises that "profitability and competitiveness of exports is an important objective with regard to exchange rates, keeping in mind, inter alia, their objectives with regard to the overall balance of payments and export promotion."

The document adds that while the IMF does not believe that a change in exchange rate is necessary, it intends to keep Indian exchange rate policy under review.

Sadat killers found to have military intelligence link

BY ANTHONY McDERMOTT IN CAIRO

THE EGYPTIAN Government has discovered a connection between the squad of four men who assassinated the late President Sadat on October 6, and an officer with military intelligence links, who was arrested with others after a shoot-out in a flat near the pyramids last week.

Since those incidents it has been officially announced that 230 members of a religious terrorist organisation, led by a Mr Abboud al-Zumur, have been arrested.

The officer, who is believed to have the rank of major, has been identified as the leader of a fanatical religious organisation which had been plotting to set up a Khomeini-type revolt.

The group had planned also to kill Mr Sadat last month. According to the newspaper Al-Ahram, an unidentified foreign country had been financing the group, which had aimed to kill Mr Sadat when he visited Mansoura on September 26.

Al-Ahram said the police had seized stockpiled arms and shown the late President video recording of the plotters planign his assassination. But he had refused to change his programme.

The group also apparently admitted to having planned terrorist operations similar to the one in Asyut in central Egypt shortly after Mr Sadat's death, where as many as 100 people were killed in clashes between police and Moslem extremists.

The implications of a link between Major al-Zumur and the assassins are considerable. Although most observers are still agreed that the assassination was committed by a group operating in isolation, it has links, at least of sympathy, with other groups of Moslem fanatics.

In addition, if military intelligence has been penetrated, it could provide some clues as to how the named ring-leader of the assassins' group, Lt. Khaled Islambouli, managed to get three accomplices with arms on to the parade ground where Mr Sadat was shot.

The Government has meanwhile announced the suspension of 30 officers and 104 non-commissioned officers and soldiers as part of a purge of religious extremists in the armed forces. Lt.-Gen Abdel-Halim Abu Ghazala issued a statement about the suspension of the officers and men in yesterday's edition of Mayo, the newspaper of the ruling National Democratic Party.

This was the second acknowledged removal of soldiers for religious reasons. On October 12, it was announced that 18 officers were removed.

Detailed examination of the religious credentials of officers and men has been under way since the late president launched his purge, aimed largely at Moslem extremists, early last month.

Opec price unity expected this month

By Richard Johns, Middle East Editor

THE Organisation of Petroleum Exporting Countries is expected to meet on October 29 in Geneva to agree upon a common reference price of $34 a barrel.

Other elements of the compromise, in prospect following 20 months of prices disarray, are a freeze until mid-1982 or the end of next year and a maximum differential of $4 to be charged by the African producers for their premium crudes.

A deal has yet to be clinched, however, and until agreement is assured, Saudi Arabia will not assent to an extraordinary conference in advance of the next biannual ordinary one scheduled for Abu Dhabi on December 10. Hitherto it has also wanted the African producers to bring down their premiums before raising the price of Arabian Light, the traditional Opec "marker," from $32 to $34.

Talks during the North-South summit at Cancun, Mexico, at the end of this week will probably be of critical importance in deciding whether an extraordinary conference is held. Sheikh Ahmed Zaki Yamani, the Saudi Arabian Minister of Oil, will consult with his Algerian, Nigerian and Venezuelan colleagues there.

Nigeria has cut its price by 10 per cent to rectify a dramatic slump in its exports but Algeria and Libya have yet to show willingness to compromise by lowering their premiums from the existing level of $39-40.

Iran, meanwhile, has stated that it will not attend an emergency meeting even though—objectively—it desparately needs a unified, lower price to boost its sales and foreign exchange revenue.

Richard Cowper reports from Jakarta: Dr Subroto, current Opec president and Indonesian Minister of Mines and Energy, said here yesterday that there was "a very good chance" that Opec would soon announce agreement to hold an extraordinary meeting in the "very near future" to unify all prices.

Dr Subroto said that final consultations were still going on. The place and the date had not been fixed yet, he added.

Dr Subroto was speaking after talks in Jakarta over the last two days with Dr Manei Saeed Al Oteiba, the Oil Minister of the United Arab Emirates and the man expected to become Opec's next president, and Mr Mark Nguema, Opec's secretary-general and the Oil Minister of Gabon. Their talks are understood to have centred on discussions and arrangements related to the holding of an extraordinary general meeting on price unification.

Opec has tried twice this year to unify prices which are now spread between $32 a barrel charged by Saudi Arabia and the $40 quoted by Opec hawks such as Algeria and Libya, but on both occasions the meetings broke up in disagreement.

Khamenei names new Iranian Prime Minister

By Terry Povey in Tehran

IRAN'S parliament will be asked today by President Hojatolislam Sayyed Ali Khamenei to approve Dr Ali Akbar Velayati as Prime Minister.

Approval seems certain. Dr Velayati will replace Ayatollah Mahdavi-Kani, who announced his resignation and that of his Cabinet last Thursday.

Dr Velayati, 36, has played a prominent role in Parliament, in which he is one of Tehran's representatives. But he has held no ministerial posts in any of the post-revolutionary Governments.

The significance of this choice by the President underlines speculation that there could be considerable changes in the new Cabinet.

Although much power was given to the Premier during the period of Mr Abolhassan Bani-Sadr's presidency, this pattern is now thought to be reversing and leadership in the new Government is expected to some firmly from President Khamenei.

Politically, the new Premier, who studied in the U.S., is not seen as a member of the radical wing of the IRP. He has, instead, been associated with a little-known fundamentalist grouping called Hojatiyeh, which is known for its strong opposition to Left-wing views and for its anti-Baha'i sect activities.

U.S. may spend $1bn on Oman military bases

BY PATRICK COCKBURN IN MUSCAT

THE U.S. may have to spend between $1bn and 1½bn (£540m-£800m) on building military facilities in Oman, at the mouth of the Gulf, over the next 10 years, Mr Qais Abdul Moneim al Zawawi, Minister of State for Foreign Affairs, said yesterday.

The money will be spent mainly on upgrading the air base at Masirah Island, off the Omani coast, and on building naval ports. The U.S. will have access to these facilities in the event of a crisis in the region, although the Government emphasised that it will have to give prior permission for use.

It has still not been decided whether U.S. equipment will be stockpiled at the bases, but the U.S. Army Corps of Engineers is already at work at Masirah Island, Mr Zawawi said.

When the work at Masirah is completed 100 U.S. technicians will be needed to keep the base in working order, to diplomats says. The runway at the main airport at Seeb, outside Muscat, may also be extended and an airstrip built on the Musandam peninsula, which juts into the Strait of Hormuz.

The U.S. has been keen to increase its military and political ties with Oman since the Iranian Revolution and, last year, signed military and economic agreements with the Government. The country already has efficient armed forces of its own, numbering some 20,000 men, including 300 British officers under contract and another 150 officers seconded by the UK.

Mr Zawawi denied reports that Oman has any plans for joint manoeuvres with U.S. and Egyptian forces in Egypt in the near future. He said there was a possibility, however, that manoeuvres with the Americans would take place closer to Oman in the coming months.

Oman occupies a strategic position controlling the western side of the Strait of Hormuz at the entrance to the Gulf. It is probably the most pro-Western of the Arab States in the area.

It is one of the few Arab countries to have continued diplomatic links with Egypt after the Camp David agreement with Israel and an Omani regimental commander was shot dead at the same time as President Sadat of Egypt was assassinated.

Oman has been trying to get the Gulf Co-operation Council (GCC), the grouping of Arab States of the Gulf, excluding Iraq, to take on a bigger military role.

The chiefs of staff of the armies of the six states met in Saudi Arabia last month for the first time, and the question of Gulf security will be raised again at next month's GCC meeting.

Kuwait could prove more willing to agree to greater military co-operation with its neighbours in the wake of the Iranian bombing raid on an oil gathering station at the end of September.

In a separate move, Sultan Qaboos bin Said, the ruler of Oman, has decreed that an advisory council of 45 members is to be set up. Seventeen of the council's members will come from the Government and 28 private citizens will be nominated. In the past, Oman has had no formal Parliament, as in Kuwait, or informal assemblies such as the Majlis, found in other Gulf states.

Reagan may act to 'correct' fiscal policy

BY DAVID BUCHAN IN WASHINGTON

THE REAGAN Administration is considering "a mid-course correction" in fiscal policy in response to Congressional foot-dragging on new public spending cuts and to the prospect of lower tax revenues from a depressed economy, Mr David Stockman, the Budget Director, said yesterday.

But Mr Stockman said that, while the Administration was "listening" to Senate Republican advice on the need for a change in budget tactics, no decision had been made "because, frankly, we haven't seen an alternative plan with any substance or concrete details at the present time."

Mr Stockman denied a report that the White House had done a deal with its party chieftains in the Senate, whereby it would seek to narrow the 1981-82 budget deficit with \$5bn-\$6bn (£2.7bn-£3.3bn) in spending cuts and \$7bn-\$8bn in tax increases.

Last month President Reagan called for \$13bn in spending cuts and \$3bn in new revenue.

The switch in attention to the revenue side of the U.S. budget equation follows President Reagan's admission over the weekend that the U.S. was in a recession which, he hoped, would be slight and short.

This was the first time the President had publicly acknowledged a recession and his officials quickly scrambled to qualify the gloomy news.

Mr Murray Weidenbaum, chairman of Mr Reagan's council of economic advisers, issued a statement to the effect that recession had been implicit in the Administration's forecast of the unemployment rate rising to 7.7 per cent in the fourth quarter of 1981. The rate was 7.5 per cent in September.

But "the President's programme, plus built-in stabilising elements in the federal budget, are ample assurance that any recession will prove short," Mr Weidenbaum said. He was referring to the hoped-for stimulative effect of the enacted Reagan personal and business tax cuts, as well as the fact that the Government pays out more in unemployment benefits and takes in less tax revenues during recessions.

The Administration says it is still determined to keep the current 1981-82 budget deficit to within \$43bn as its major contribution to easing the upward pressure of government borrowing on interest rates.

However, recession could throw its calculations badly off course. They were based on the optimistic assumption of 5.2 per cent real growth for 1982.

U.S. metals producers forced to cut output

BY OUR NEW YORK CORRESPONDENT

U.S. METALS producers are being forced to make heavy cuts in output because of the weakening national economy and sharp price discounting.

Reynolds Metals, the large aluminium producer, said it planned to cut temporarily its production by 12 per cent. This means the company will be producing at only 68 per cent of its North American capacity.

In the steel industry, a succession of plant shutdowns has taken the industry-wide level of capacity use to 70.8 per cent for the week ended October 10.

Yesterday Bethlehem Steel, the second largest steelmaker, said it would lay off 485 workers at a plate mill in Indiana and a hot strip mill in New York state.

The steelmakers blame some of their problems on the rising level of imports — a problem which is currently threatening to re-ignite the dumping controversy between the U.S. and Europe. But a rapidly deteriorating economy appears to be the main reason for the closures.

The aluminium business has been bedevilled by price-cutting for most of the third quarter, with the result that all the manufacturers reported poor financial results for that period.

Reynolds, which has suffered more than the others, has decided to lead with the sharpest cuts.

Demand for steel has been depressed for months in the construction industry. In the motor industry, which was responsible for much of the mid-year pick-up in demand, it is clear there will be no fourth-quarter revival in car sales.

Price rebates on cars in the third quarter disguised the situation, but the sales figures for the first 10 days of October —the worst for that period since 1957—have confirmed that the car industry is still deep in a recession.

Salvador poll date fixed

BY HUGH O'SHAUGHNESSY

THE Salvadorean junta headed by President José Napoleón Duarte has fixed March 21 next year as the date for elections to the legislative assembly, according to the Spanish news agency Efe.

The junta has also announced that presidential elections will be held in 1983.

President Duarte is expected to issue invitations to observers from foreign governments to attend the elections, which have the strong support of the Reagan Administration.

Last week, on the second anniversary of the overthrow of General Carlos Humberto Romero, the Salvadorean Government lifted the country-wide curfew — though not the state of siege which has been in force since March 1980. The Government also offered an amnesty to guerrillas.

Reagan and Mitterrand air differences in talks

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT FRANCOIS MITTERRAND of France left the U.S. for a state visit to Mexico last night, having agreed to disagree with President Ronald Reagan on a wide range of world issues from El Salvador to the north-south dialogue during talks in Virginia at the weekend.

Both sides stressed, however, that their differences had been aired amicably at a meeting during the Yorktown bicentennial celebrations.

M Mitterrand said that Franco-American differences of view did nothing to undermine the solidarity of the Atlantic alliance. They were best approached by readiness on both sides to discuss them.

He approved of Mr Reagan's plans to rearm America and establish a balance with the Soviet Union by 1985. But he warned that the Soviet Union might begin to feel insecure after that date and called for the earliest possible start to arms control negotiations. These were necessary both to maintain the balance and reassure those West Europeans who were anxious about the nuclear build-up on their territory.

M Mitterrand said the two governments were not as far apart as some people thought on the purpose of the north-south summit, to be held in Cancun, Mexico, later this week. But he said France wanted concrete decisions in Cancun.

Mr Alexander Haig, the U.S. State Secretary, said the aim of Cancun should be to prepare the way for concrete decisions in the future. He added that both governments agreed that in El Salvador one dictatorship should not be replaced by another.

But it was clear that little had happened to change the differing views of the two countries, with the U.S. solidly backing the Duarte Government and France urging a political role for the left-wing guerrillas trying to topple it.

William Chislett in Mexico City adds: President Mitterrand is expected to reaffirm support with Mexico for the rebels in El Salvador during his state visit, in addition to discussing the forthcoming Cancun summit.

Mexico and France have greatly strenghtened their links since the Sacial Government came to power in Paris. They share a common vision of the problems in turbulent Central America and on how to breathe new life into the moribund north-south dialogue on the transfer of resources from rich to poor countries.

Three U.S. airlines raise fares

By Ian Hargreaves in New York

SIGNS OF a truce in the latest domestic air fares war in the U.S. have started to appear, with the decision by the three largest carriers on the New York-California routes to raise their fares sharply.

United Airlines led the way, proposing a \$600 (£327) return economy fare for New York-Los Angeles, up from \$438. TWA and American Airlines, which with United account for 75 per cent of the traffic, followed suit.

Pan American and Eastern Airlines which currently offer one-way day economy fares of \$224 and \$219 respectively, have so far resisted a fare increase.

"We have no plans to change our fares," Pan Am said yesterday.

Pan Am has attracted attention by making cuts of up to 60 per cent on its domestic and international fares. This is a desperate attempt to fill its aircraft as part of a new marketing strategy launched by Mr Edward Acker, its new chairman.

Also affected by the latest price manoeuvres are a wide range of so-called midcontinental fares, conecting midwestern cities with the Pacific coast and New York.

These have been caught in the slipstream of the central price battle in the last fortnight.

David Lascelles reports from New York on Yankees euphoria in the markets

Baseball throws Wall Street into a spin

A WORD of warning to anyone who deals in the financial markets. Wall Street's mind will not be on its work this week, and if the markets behave oddly, here's the reason: the New York Yankees baseball team has made it to the World Series which starts tonight.

This is an event of such cataclysmic import not just for the city of New York but for the entire civilised world that mere mortals who think first base has something to do with climbing Everest may have trouble grasping it. But since it could send the stock market, the dollar, U.S. interest rates, gold and even frozen chicken futures into a complete spin in the days ahead, read on.

The World Series is not just another championship. It is the Olympian peak of sport. It is the Cup Final, the Triple Crown, Wimbledon and the Grand National rolled into one. It rings with rich memories of names like Babe Ruth and Joe Dimaggio (who now makes a living advertising a savings bank) and it generates an enormous amount of money.

Unlike the humdrum championships that climax the season of other national sports, baseball is not content to decide a winner in a single game. The World Series is the best of no fewer than seven games. Since even north American baseball teams cannot play seven days running, two rest days are slotted into the middle.

If the series runs its full course, this besotting event can last nine days. Nine days for fans to gnaw their knuckles, for the talks to be of nothing but baseball, and more baseball on TV, in the bars and newspapers and even along the canyons of Wall Street, where an ability to converse about pitch hitters, knuckle balls and bull pens is as vital to personal success as knowing the difference between debt and equity. And nine days for the lucky championship team owners to gloat over whirling turnstiles.

As its name implies, the series does not just climax the six-month baseball season, it also determines the world baseball champion. However, the series draws its name not from but from its origin in 1903 when it was sponsored as a "world" event by the New York World newspaper.

The fact that two Canadian teams represent the entire international contingent in the only two leagues which qualify for a crack at the series is no ground for unsporting, chauvinistic sniping. That's the way it is. After all, Americans do not clamour for a chance at the Ashes.

So intense is the interest in this great event that the Dow Jones ticker, which normally carries nothing more exciting than changes in the prime rate, usually reports the innings-by-innings score of any World Series games played during business hours.

Yankees' owner Mr George Steinbrenner strikes a blow at the financial market's concentration.

For New York, the Yankee triumph marks a return to glory for a team that enjoys the mixed reputation of the glamour boys of baseball. Historically, the Yankees (or the Bronx Bombers as they are known after their home borough) have won more titles than any other team in the 142-year history of baseball.

Goaded by Mr George Steinbrenner, their tough-talking, roly-poly owner (who runs a shipbuilding company in Florida in his spare moments), they sparkled in the 1970's, reaching the World Series three years running, in 1976-78. But after that things went badly wrong. Constant public bickering, changing room punch-ups, bad management and the death of the team captain in a plane crash took their toll and morale collapsed.

The Yankees repeatedly failed to slug it through to the championship even though they have the highest paid players in the business (some earn more than \$1m (£545,000 a year) and an exhausting habit of edging to the brink of disaster before being able to give their best.

Apart from the sheer thrill of seeing their team back in the World Series, New Yorkers revelled in the play-off that put the Yankees there last week — a 3—0 win over the Oakland Athletics. Oakland is managed by Billy Martin, a wily tactician who not only played for the Yankees in his youth, but managed them during their heyday in the 70s.

Delight at the Yankee's triumph is very localised, however. The flashy team is not liked in the rest of the country, where it epitomises the arrogance of New York — the city that knows it all but lives off the charity of the American taxpayer. Millions of baseball fans would like nothing more than to see the Yankees being clobbered this week.

But to whom will that pleasure fall? Last night, the two other semi-finalists were still slugging it out in a play-off delayed by rain. But whoever wins it should make a good final. The contenders are the Los Angeles Dodgers, formerly the Brooklyn Dodgers, and therefore old foes, and Montreal. Should the Canadian team win through it will be the first time a non-U.S. team has ever made it to the World Series, making it truly international at last.

Japanese reject 'market access' charges by EEC

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

JAPAN forcefully rejected EEC charges yesterday that it does not offer conditions of access to its market similar to those of other industrialised countries.

"Faced with difficulties, one sees faults in others rather than reflecting on the possibilities of improving one's own behaviour," Mr Kunihiko Saito, the Minister at the Japanese Embassy to the EEC, said in Brussels.

The tenor of Mr Saito's remarks, combined with an official statement from the Japanese Embassy, conveys the impression that there is no justification for repeated EEC complaints.

Set against the demands made within the EEC for easier access to the Japanese market, they point to a further deterioration in EEC-Japan trade relations based on mutual incomprehension.

The Japanese comments were directed specifically at a paper circulated on October 8 by UNICE, the EEC employers' federation, charging that the persistent growth of the Japanese trade surplus with the EEC "is threatening the liberal trade system which is based on reciprocity and mutual advantage for all."

This paper was presented to a mission of senior Japanese industrialists which visited EEC capitals under the sponsorship of the Japanese Government.

The Japanese view is clearly that the EEC is more restrictive in its trading policy than Japan. The statements said that Japan's average tariff at 3 per cent is lower than that of the EEC at 5 per cent. However, the Japanese average does hide peaks on products like whisky, but this was not mentioned.

Japan maintains global import quotas on 27 products, but the EEC maintains 89 and there are "illegal" discriminatory quotas against Japan on 57 items, according to the Japanese statement.

A recurring theme in the Japanese comments is the implication that EEC industries do not try hard enough to penetrate the Japanese market.

Mr Saito said that the response from European companies to the forthcoming Japanese Trade Fair had not been as positive as he would have hoped.

The statement said that no European companies had tendered to supply Nippon Telephone and Telegraph.

At the same time, a sense of grievance creeps through the comments. Any implication that Japan had gained economic advantage by unfair methods could not be accepted, Mr Saito said.

Further, claimed the statement, "Japan is one of the countries which adhere most faithfully to the principles of the General Agreement on Tariffs and Trade."

Japan rejects the charge that yen fluctuations have made exports more competitive. Rather, improved competitiveness has come from following the industrial adjustment policies advocated in the Organisation for Economic Co-operation and Development.

ECGD backs deals with Cuba

BY OUR WORLD TRADE STAFF

BRITISH COMPANIES will be able to receive cash payment for export contract with Cuba under a £5m credit line guaranteed by the Export Credits Guarantee Department.

The loan, to Banco Nacional de Cuba, has been made by Midland Bank for the purchase of capital and semi-capital goods and associated services on credit terms of two-five years. Exporters will receive 85 per cent of the contract value from the loan, the balance being payable from the buyers' own resources.

To qualify under terms of the loan, a contract must have a minimum value of £20,000 and be placed by October, 1982.

The loan facility is the second since April, 1980, when a similar £5m credit line was provided. Cuba has been cleared for such medium-term cover since the late 1970s.

The cash payment arrangement means that companies means that companies wishing to do business with Cuba may do so without fear of any payment problems. While no particular UK deals are tied to the credit line, it is understood that some are in the pieline because of the accord between Midland and Banco Nacional.

The credit arrangement follows a recent announcement by the London Chamber of Commerce and Industry that it would sponsor a British trade mission of some 20 members to visit Cuba next March.

● Nissan Diesel Motors said three Japanese truck makers have been negotiating separately with Cuba for exports of about 1,400 medium and large-size trucks for shipment next year, Reuter reports from Tokyo. The negotiations were temporarily suspended awaiting a Japanese Government decision on a credit supply framework for Cuba for the 1982 fiscal year

Ford U.S. order goes to British gear maker

By Kenneth Gooding

CAM GEARS has won a £50m, six-year contract for steering gear from Ford of North America in the face of fierce competition, mainly from the Japanese.

In order to win the deal the workforce at the Cam Gears plant at Resolven in South Wales agreed to major changes in working practices so that they can match Japanese prices.

And, as a result of winning the Ford U.S. contract, Cam Gears has been given the go-ahead by its American parent, TRW, for a £13.2m investment programme at Resolven over the next five years.

About 1,000 people are currently employed at Resolven, but the number of people per job will drop as the assembly operations become highly-automated and improved technology is introduced to the component production area.

Cam Gears has been sole supplier of manual rack and pinion steering for all Ford cars built in North America since 1970. But recently Ford considered changing supply to either Japan or its own production. If this change had taken place the future of Resolven would have been in doubt, even though it has other major contracts with Ford UK, BL, Saab, Volvo and Chrysler U.S.

Mr Roger Pinnington, deputy chairman, said yesterday that fluctuating exchange rates, nervousness about British industry and UK inflation rates all hindered export trade from the UK to North America.

"But the major factor in Ford's decision has been Cam Gears' excellent record of supply, service and quality since 1970.

FRENCH WIN £120m INDONESIA ORDER

Technip to build newsprint plant

BY RICHARD COWPER IN JAKARTA

A FRENCH engineering company has won a contract from the Indonesian Government to design, engineer and construct the country's first newsprint paper plant.

The project, expected to cost around $215m (£120m), is the first major contract to be won in Indonesia by Technip, one of France's largest privately-owned engineering and consultancy companies.

The newsprint plant, to be owned and operated by Indonesia's state-controlled paper company, PT Kertas Letjes, will largely be financed by French export credits.

The project is an expansion of an existing paper mill at Probolinggo in East Java, and will produce around 300 tons of newsprint a day when it is on stream in 1985.

Construction work is due to start next year, and Technip, which was formally awarded the contract at the weekend, says it should be ready by the end of 1984.

The plant will be financed by a mixture of French export credits and Indonesian Government funds. According to the French Embassy in Jakarta, a French Government-backed, ten-year loan of around $155m will cover roughly 70 per cent of the cost of the project.

The loan carries an annual interest rate of 7.75 per cent (without fees) and covers 85 per cent of the foreign currency portion of the contract. The rest —about rupiahs 20bn (£17m) in local costs and around $27m in foreign currency—will be met by the Indonesian Government.

The paper plant at Probolinggo has an existing capacity of around 260 tons of paper a day, but this will increase to around 360 tons a day in 1983 when a $250m expansion now being undertaken by Coutinho Care of West Germany comes on stream.

The addition of the newsprint unit to be built by Technip will boost Probolinggo's overall capacity to 660 tons a day making it by far the largest paper plant in Indonesia.

The two expansions will both use bagasse (sugar cah fibre) as the basic raw material in contrast to the existing plant which uses straw.

Despite a rapid growth in Indonesia's paper production over the past few years (47,000 tonnes in 1975-76 to around 200,000 tonnes in 1979-80) output has been unable to cope with domestic demand estimated at over 450,000 tonnes last year.

According to the Bank of Indonesia, imports trebled from $61m in 1975 to $184m last year.

To reduce the growth in imports, the Government is planning a $500m pulp and paper plant in Kalimantan and a Kraft paper plant now under way at Probolinggo.

YUGOSLAV CAR EXPORTS TO UK

£2.3m line of credit opened for Zastava

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

GENERALEXPORT, one of Yugoslavia's major trading houses, has provided a £2.3m line of credit for the company set up to import Zastava cars to the UK.

The import company, Zastava Cars (GB) began operations in April selling the Zastava 101, a variant of the Fiat 128.

So far, the UK company has spent £2.5m preparing cars to meet the British technical specifications and getting the business off the ground.

Generalexport has a 16.3 per cent shareholding in the UK company and has put up £450,000 in loans and for equity as well as providing the credit line.

The Zastava company, Yugoslavia's major car producer which is based at Kragujevac, near Belgrade, also has a shareholding of 16.3 per cent in the British importer.

However, the major shareholders are two British businessmen well-known in the car trade, Mr Dennis Hands and Mr Michael Heerey, who between them have 51 per cent.

Generalexport, which includes the Yugotours business among its interests and has a $4bn (£2.2bn) annual turnover, believes the Zastava car operations can play an important part in Yugoslavia's drive to improve its balance of payments position.

Last year, the deficit was $2.3bn with the rest of the world and the Yugoslavian authorities are attempting to reduce it to under $1bn next year without relying any more heavily on trade with the USSR.

Mr Hands, chairman of the UK importer, believes his company could sell up to 20,000 Zastava vehicles a year.

Next year, in addition to the Zastava 101, the company will start importing the Yugo 45, a front-wheel-drive hatchback with a four-cylinder 903 cc engine which Mr Hands estimates will sell at about £2,200. At this price up to 2,000 a year could be sold.

The company will also bring into Britain, probably from next June, a light commercial vehicle made by Zastava and based on the rear-engined Fiat 850.

Mr Hands believes Zastava could sell 2,000-3,000 of the commercials a year in pick-up, panel van or mini-bus versions.

As things stand he maintains that Zastava (GB) will be profitable in June next year—just one year after it was set up.

The UK push is in line with Zastava's plans for a major increase in output and exports. These will involve capital investment equivalent to $500m at the Kragujevac plant and at some of the company's component suppliers, according to Dr Milenko Bojanic, Zastava's president.

About one-third of the finance will be supplied by way of credit from foreign equipment suppliers. The planned increase in car output will be from 220,000 this year to 330,000 by 1985.

Exports are predicted to rise from 45,000 cars worth $200m, to 80,000 over the same period. About 88 per cent of the exports go to hard currency countries.

Until recently, Zastava cars have been based on Fiat models and the Italian group owns 15 per cent of the Zastava car business, but not the whole corporation which also makes armaments, machine tools and other products.

However, a new car is being developed with the help of Porsche of West Germany and Ital Design of Italy which will replace the 101 in about four years.

However, trade between Zastava and Fiat will remain as strong as ever. The two companies swop products worth about $500m a year on a dollar-for-dollar basis.

For the first time this year, Fiat is taking built-up cars from Zastava—up to 10,000 a year of the 101s could be involved.

S. Africa Mercedes group plans £117m expansion

BY BERNARD SIMON IN JOHANNESBURG

UCDD, the South African assembler and distributor of Mercedes Benz vehicles, is to spend R200m (£117m) on expanding production and other facilities over the next five years. Daimler Benz AG of West Germany has a controlling interest in UCDD.

The centrepiece of the investment programme, the largest by any South African motor manufacturer, is the doubling of UCDD's car assembly plant at East London to accommodate an increase in prodction of Mercedes Benz models from 800 to 1,200 vehicles a month, as well as the planned introduction next year of Honda cars, which UCDD will assemble under licence. The cost of this project will be R47m.

Production of Mercedes Benz trucks will be raised from 600 to 1,000 units a month by 1984. According to UCDD's chief executive, Mr Morris Shenker, the company aims to increase its share of the heavy truck market from its present 22 per cent to 40 per cent.

Other projects include a new parts warehouse, extensions to the company's head office and investments by dealers in land and buildings. The programme will be financed entirely from locally-generated funds with no contributions from the German parent company.

Mercedes Benz's share of the South African vehicle market has risen significantly in the past year, from 3.5 per cent of total car sales in the first eight months of 1980 to 4.8 per cent in August 1981. The waiting period for a new Mercedes car is several months.

Mercedes' share of total commercial vehicle sales has almost doubled, from 3.4 per cent in January-August 1980 to 6.7 per cent in August 1981. It is the sixth-largest distributor of trucks in South Africa.

Reuter reports from Tokyo: Toyota Motor Sales Company has predicted that Japan's domestic vehicle sales will be less than the 1980 level for two consecutive years, reflecting the slow recovery of the domestic economy.

Malaysia steel maker to boost output

By Wong Sulong in Kuala Lumpur

AMALGAMATED STEEL MILLS, Malaysia's second largest steel manufacturer, is to embark on a 40m Ringgit (£9.3m) expansion later this year which will double its capacity to produce steel rods to 300,000 tonnes by 1983.

A major equipment order for a second rolling mill has been awarded to Danieli CSPA of Italy, with affiliated contracts going to Moeller and Neumann GmbH of West Germany, BBC Brown Boveri of Switzerland and Sunds Defibrator of France.

According to Mr Cheng Theng Kee, the chairman, the second rolling mill will be the first of its kind in South-east Asia.

Reuter adds: Sogee, a French paper manufacturing concern, and the Malaysia Heavy Industries Corporation, a state agency, will jointly build a $360m (£166m) paper plant near Kota Bahru in northern Malaysia, industry officials said.

A pre-feasibility study has been concluded on the joint venture, which is subject to official approval

Philippines reopens plant talks

MANILA—The Philippines has re-opened discussion with potential investors in two $60m (£33m) petrochemical projects after the original companies involved delayed the launching of their schemes, a Board of Investment (BOI) official said.

He said a low-density polyethylene plant to be built by USI of Taiwan and a polypropylene plant involving Hercules Far East, a subsidiary of Hercules of the U.S., had been registered as projects by the BOI about two years ago.

But the two companies had declined to initiate the projects, and had now been told that the BOI no longer felt bound by the agreements.

During negotiations on the schemes, the two companies were told that the Philippine Government planned to build a naphtha cracker which will produce the ethylene required by both plants.

No target date was given for completion of the cracker, and the companies were told that if their schemes were completed earlier, they could be able to import ethylene from any source, but with the provision that when the cracker was completed, imports of ethylene would be banned.

Mr Roberto Ongpin, the Trade Minister, is keen to start the two downstream schemes while the petrochemical industry is in a slump, so the country can take advantage of the cheaper equipment available, the official said.

Discussions have been opened with two other prospective companies on the schemes, but he declined to name them and would not say in which countries they are based.

Reuter

Subsidised loans for industry in West Midlands

BY LORNE BARLING

THE LABOUR controlled West Midlands County Council and the Industrial and Commercial Finance Corporation (ICFC) are to collaborate on a scheme unique to Britain which will provide investment funds for industry at 5 per cent below normal interest rates.

The council, which recently announced plans to provide up to £40m for the regeneration of West Midlands industry, will effectively subsidise normal commercial loans made by ICFC's Birmingham office to companies which meet special requirements.

The council is providing £500,000 to subsidise interest rates on loans by ICFC amounting to £10m in the coming year, with the intention of creating jobs and boosting investment in manufacturing industry. More council funds may be made available later.

Mr Derek Sach, manager of ICFC in Birmingham, said yesterday: "The scheme has been set up in this way because the council does not have the experience to do it alone, and it avoids putting ratepayers' funds at risk in any way.

"This is a cost effective way for the council to involve the private sector in what is essentially a pump priming exercise. Many companies have deferred investment in new equipment since the recent interest rate rises, and this provides an alternative."

Applicants for loans will have to give assurances that at least one new job is created for every £25,000 they borrow, and that the money will be spent on capital equipment. The upper limit of loans will be £500,000, for which 20 jobs will have to be created.

Mr Sach said normal criteria would otherwise be applied to judge thei suitability of applicants, and the lower limit of loans would be £5,000. The loans would be for five years or more.

"I believe this is a good method of creating employment, particularly from the council's point of view, since it is spending only £1,250 a year for each job. It should also encourage companies to stay in Birmingham rather than go elsewhere for development grants," he said.

The first loan agreement is expected to be concluded in early December.

Concern at efficiency of work training programme

BY LORNE BARLING

WORK TRAINING in Britain is now out of touch with the realities of industry and needs to be reorganised on a national basis to take account of new technology and long-term unemployment, the Birmingham Chamber of Commerce said yesterday.

A study by the chamber expresses grave concern at the "maintenance of artificial jobs within the wealth creating sector," while competitiveness is declining.

Mr John Black, president of the chamber, said: "Our concern at the efficiency and effectiveness of training has prompted this paper, and we are equally disappointed with the consultative document, 'A New Training Initiative' from the Manpowers Services Commission."

The report says the provision of the right skills in the right numbers can no longer be left to chance.

"Technology has brought to an end an era when a person acquiring a craft or skill had a reasonable prospect of exercising it for the rest of their working life." Lengthy apprenticeships are no longer appropriate, it adds.

The report recommends that sector-by-sector training groups should monitor manpower supply and demand and keep in close touch with schools and colleges.

It adds that since the cost of training must ultimately come out of the national wealth, it should be financed as far as possible by the Government.

Barclays to assist in financing employment

By William Hall and Robin Reeves

THE WELSH Development Agency and Barclays Bank are joining with the European Coal and Steel Community (ECSC) to provide £15m of subsidised long-term loans to help to create employment for some of the 83,000 workers in the UK coal and steel industries who have lost their jobs over the past five years.

Mr Ivor Richard, European Commissioner for Social Affairs, signed an accord in London yesterday enabling Barclays Bank and the Welsh Development Agency to offer £10m and £5m respectively in job-creation loans.

The UK has received funds and loans totalling £366m for large investment projects since it joined the EEC. But complicated administrative procedures have prevented very small businesses from having access to Community funds.

Barclays will now offer loans between £5,000 and £50,000 at true rate of interest of 10.7 per cent a year, fixed for eight years.

To qualify, borrowers have to prove that the loan will provide new jobs for redundant coal and steel workers. A loan of up to £20,000 must provide at least two new jobs, and each additional £10,000, one further job. Applicants must be independent businesses with no more than 50 employees.

Barclays Bank will offer the scheme through its High Street branches. The Welsh Development Agency scheme is broadly similar and will include a moratorium on capital repayments for up to four years.

The loans will be made in foreign currency, with the Department of Industry providing a government guarantee against foreign exchange fluctuations.

Administrative procedures have been simplified under the new arrangements which will provide loans between £5,000 and £50,000 or 50 per cent of the gross investment costs, if this is lower.

Investment must be for a manufacturing project for special service industry, and at least two jobs suitable for former coal or steel workers must be created as a result of the investment.

Industry review urges local action

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

MORE COMPANIES in Scotland set up their own research, development and marketing facilities to help industrial production in the region to adapt more quickly, according to proposals published yesterday.

The Scottish Council (Development and Industry), an independent body representing industry, trade unions, the banking community and local government, made the suggestion in a review of the Scottish economy designed to stimulate growth and industrial change.

The review, entitled Industrial Change in Scotland, An Agenda For Progress, noted that although the region's resource base was excellent, its employment of resources was poor.

It saw Scotland's weaknesses as the low level of control of economic activity; shortage of key skills, including entrepreneurial talent, due to lack of headquarters functions; an image of poor industrial relations; low level of productivity; immobility of labour; and weak demand in Scotland's main market, the UK.

The review said economic well-being was principally dependent on Scotland's success in manufacturing.

"We believe that there is scope for action at a Scottish level that can contribute to our prosperity regardless of, or in spite of, the general economic climate," it noted.

It suggested an investment programme to reverse the contraction of the industrial base in Scotland. Last year saw an erosion of manufacturing assets and the process was continuing this year, said the review.

Despite the concentration on improving manufacturing through investment, it also urged that Scotland be promoted as a location for business and financial services.

The committee which carried out the research recommended a training programme concentrating on electronics as part of the industrial agenda.

"Training and retraining for microprocessor-based technology is the most urgent adjustment in manpower indicated by research."

The objective of stimulating activity was to ensure that businesses in Scotland could offer comparable rates of return to potential investors said the review.

"It is important that multinational companies should have Scotland represented to them as a test-bed for high technology research, development and innovation. The old presentation of Scotland is a good place to make things because of its relative abundance of cheap metal-working skills has no relevance to the present or expected conditions."

Another objective was to encourage research and development and marketing responsibilities at a Scottish level.

"The low level of R and D activity and marketing responsibilities in many companies/sectors through the 'branch-plant' phenomenon must be a major cause for concern as to whether Scottish production can be adjusted as quickly as in other industrialised areas."

The Scottish Development Agency, Tayside regional council and Dundee District Council have signed a joint agreement for an £8m project to develop and improve Blackness, an area of Dundee once dominated by the jute trade. Through a three-year programme of industrial site development, business assistance, environmental improvements and traffic management, the SDA hopes to create a promising industrial area. The agency is putting up two thirds of the money for the refurbishment and Tayside has earmarked more than £2m to improve services.

Mark Meredith meets Peter Carmichael—a maverick with a mission

Champion for Scotland's entrepreneurs

BUSINESSMEN who are determined to keep trying for success despite one or more failures of small ventures in Scotland have a new champion to argue their case at the Scottish Development Agency.

In choosing Mr Peter Carmichael, 48, joint managing director of Hewlett-Packard in Scotland, to head its small business division, the Scottish Development Agency has selected something of an industrial maverick to encourage other mavericks to set up their own shops. At a time when all businesses—big and small—are under extreme pressure in Scotland.

Moving out of the world of multinationals, Mr Carmichael faces some decidedly unglamorous work, much of it financed with redundancy money, some of it in the black economy, much of it doomed to failure, most of it low technology and none of it generating the jobs needed to make a dent in the unemployment which approaches one in four in some parts of Scotland.

But he is also taking on responsibility for the agency's new ventures unit and keeping a mandate for promoting electronics. This is likely to provide Mr Carmichael with flashes of success.

What makes Mr Carmichael particularly suited to promote the independent spirit in business is his background with a company which actively encourages the independence of its branches.

His Hewlett-Packard works at South Queensferry is left by the parent company to develop its own product range and carry out its own research.

The Scottish factory, just outside Edinburgh, produces communications testing equipment. Despite the general malaise in the economy which has also affected the parent company it is well on target in developing five or six new products a year, exporting 80 to 90 per cent of its output and, according to its chief executive, turnover is likely to rise from $60m (£32.8m) to over $70m next year.

Yet Mr Carmichael is worried about failure—other people's failure and the stigma attached to an entrepreneur after some early setbacks.

He believes the U.S. has a lot to teach Britain about failure, and the type of people ready to pick themselves up after a defeat and start again. "Nine times out of 10 they become pretty rich and pretty successful. But they've fallen on their faces a few times beforehand. We've got this terrible attitude that starting a business and failing is wrong. I wonder if the Agency is coloured with the idea as well. Does it help industry to get tainted with the idea that 'I dont really want to help you unless I am sure of its success?'"

Peter Carmichael: "We've got this terrible attitude that starting a business and failing is wrong"

He shoots from the hip about problems of the Scottish economy: its incestuous directorships, the persistent class divide exaggerated for workers by the presence of English managers, and the departure of industrial decision making from Scotland.

Mr Carmichael comes from a farming family and does not fit into the establishment mould of business. Despite an independent spirit he sees initiative as spawned from the whole community complete with its universities, colleges, small businesses and multinationals.

"In part it's got to come from people themselves saying 'here is an idea' and then going ahead and doing it, but with some intervention in the form of help and advice to get over the start-up difficulties."

He fears there is a tendency in Scotland for people with growing small businesses to sell out to larger concerns, often outside Scotland. "The sad thing in Scotland has been the loss of strategic decisions."

Business and job creation potential depend on successful expansion which is not stifled on the way up. "A small business doing a little home brewed product for its own area is not going to be a big job creator. Why can't we create an atmosphere in which small businesses can grow large, move overseas, become competitive and yet somehow not become part of a very closed industrial scene with sort of incestuous directorships—this is part of Scotland's problem."

Conference tackles inner city problems

Financial Times Reporter

MORE THAN 400 experts on European city development arrive today for the launching conference of Project Turin International in the Mitchell Theatre, Glasgow.

The project is a long-term plan aimed at identifying and tackling some of the problems facing six major European cities—Turin, Italy; Cologne, West Germany; Dresden, East Germany; Cracow, Poland; Lille, France; and Glasgow, the host city.

The conference, which starts tomorrow, has two main themes: how public authorities can work with private investment to regenerate the urban economy, and how people can best help city governments to re-examine priorities.

Councillor Jean McFadden, leader of Glasgow Labour-controlled city council, has invited every major local authority in Britain to send a representative. Invitations have also gone out to every university, to planners, architects, property developers, bankers, building society chiefs and businessmen.

The International Union of Local Authorities in Strasbourg is also represented.

Mr Malcolm Rifkind, Scottish Environment Minister, and Mr Gerald Kaufman, Labour spokesman on urban policy and local government, will speak on the problems of the inner city.

Sr Guiseppe Chiezzi, alderman for the environment of the City of Turin, will speak on the origins and future developments of Project Turin International.

Mr Jimmy Reid, who led the Upper Clyde Shipbuilders' work-in a decade ago, will speak on "alienation in an urban society." Mr Robin Duffy, chairman of the Scottish Development Agency, and a leading businessman, is to speak on "approaches to regenerating the urban economy."

On Thursday, Mr Raymond O'Brien, chief executive of Merseyside County Council, will discuss "Merseyside Limited—the experience of a public-private joint venture company, and its role in inner city regeneration." Professor G. Cottino, chairman of Finpiemonte Bank, Turin, is to speak on "financing investments in the city from public and private resources."

Retail sales fall as real incomes suffer squeeze

BY GARETH GRIFFITHS AND DAVID MARSH

SPENDING in the shops dropped back last month, reflecting a general slowing in consumer activity caused by the growing squeeze on real incomes.

The Department of Trade said yesterday the index of retail sales volume fell 0.5 per cent in September compared with August to a provisional 110.5 (1976=100). This followed a 1.2 per cent rise in August.

The volume of retail sales has fallen gradually since the first half of the year, when spending was inflated by larger and longer sales promotions by retailers anxious to clear stock.

Stores have continued the destocking by trimming prices throughout the year. But sluggish sales figures during the last few months suggest that High Street spending is now being affected by the growing lag between earnings increases and the rise in living costs.

A likely slackening in consumer spending after relative buoyancy earlier in the recession is one factor likely to dampen the strength of any upturn.

The department's figures show that retail sales in the third quarter, although 0.8 per cent lower than the second quarter and 2 per cent below the first three months, were still higher than any quarter during 1980.

Trade so far this year is up 1.9 per cent compared with the first three quarters of last year.

The average value of sales in the first nine months was 10 per cent higher than in the same period of 1980. This rise, well below the inflation rate, shows the degree to which retailers have achieved volume increases only by price cuts.

Retailers are gloomy about sales prospects in the next couple of months in spite of the inevitable boost for shopkeepers in the pre-Christmas period.

Shopkeepers believe the fall in real incomes will mean a further gentle decline in spending since the high levels of last winter. The fall in sales during the last quarter followed a 1 per cent drop in volume in the three months May to July compared to the previous quarter.

Changes in the way the Department of Trade assesses the level of trading suggest the apparently sharp rise in retail sales in August—was in fact much more modest. There appears to have been little real change in the underlying level of trade since March.

The Retail Consortium said yesterday the trading position was less healthy than the third-quarter figures suggested, with food sales starting to fall back for the first time during the recession.

Consumer durables and clothing continued to be depressed overall in spite of increased pressure on shopkeepers' margins with prices rising less than the general increase in the retail price index.

Interim results published by Marks and Spencer for its half-year showed a rise in food and clothing volume sales, but with much of the increase accounted for by the company's decision to opt for the more modestly priced sector of the market. The group's tougher marketing approach reflects the tougher attitudes of many British retailers.

The pressure on clothing sales, where price increases over the past year have run at 1 per cent, were shown in the slump in first half trading profits of Mothercare, the children's wear group.

House price fall reflects concern on economy

By William Cochrane

THERE IS increasing evidence of a downward tilt in house prices, says the Royal Institution of Chartered Surveyors in its survey for the quarter ending in September.

Concern over unemployment and lack of industrial growth is depressing the market, says the institution. Though prices in three-quarters of transactions remain steady, within the remaining 25 per cent twice as many agents report falls as in the previous quarter.

More agents reported wishing to move were often hampered by being unable to sell their houses, causing "chain" problems.

For the institution, Mr J. Thomas said that it was not likely that the market would improve as winter approached.

"The mortgage rate alone will not affect house prices . . . but the working position concerning unemployment and the lack of industrial growth is bound to affect the house market to some degree throughout the winter."

Mr Ken Ling, general manager and director of Tarmac Homes, gave a glint of hope yesterday to purchasers interested in the middle market. "We do not expect the new high [mortgage] rates to last for very long, and the recent cut in the banks' base rates is an indication of this," he said.

Backing its judgment — or perhaps influenced by the sluggishness of the new housing market — Tarmac Homes Midlands has cut its new option mortgage rate of 10½ per cent to 7 per cent to newlyweds and others seeking homes at four sites in the West Midlands.

Tarmac lengthens the queue of developers seeking to galvanise the market. It was joined yesterday by E. H. Bradley Estates, a Swindon builder, which offered a 9¼ per cent mortgage rate to new homebuyers, fixed for 18 months.

Bradley said yesterday: "The sudden new increase in the interest rate on people's mortgages has virtually killed the new house market stone dead so far as we are concerned, and we have to do something to restore buyers' confidence."

The mortgage cuts procession continued last night with Wimpey, which has built nearly 250,000 houses, offering from next Thursday a guaranteed low mortgage rate of 7½ per cent to all new homebuyers for a full 12 months on mortgages up to £25,000.

First purchasers will have no buying costs (survey fee, stamp duty and all legal expenses are included in a special "expenses-paid" package) on houses up to £30,000.

The half-cost mortgage is designed to benefit second-time buyers as well — Wimpey will consider buying purchasers' existing properties at fair market value as assessed by an independent valuer.

Trevor Humphries

ONE MAN AND HIS DOG: Sir Hugh Casson, President of the Royal Academy, with a 17th century enamelled Lion dog, one of the exhibits from The Great Japan Exhibition which opens on Saturday. The exhibition features paintings, ceramics, costumes and weapons of the Edo Period. 1600-1868.

Rediffusion Computers to supply video system for Soviet pipeline

BY GUY DE JONQUIERES

REDIFFUSION COMPUTERS has won a £7.8m order from the Soviet Union to supply videotex computerised information systems and terminals to be used in running the new Siberian gas pipeline.

The order, which was won against strong competition from French and German groups, is the biggest which Rediffusion has received so far for videotex systems.

These use the same type of simple and relatively inexpensive technology as was originally developed by British Telecom for its Prestel viewdata information service.

The purchase, by the Soviet Ministry of Gas, will include 200 ingenious new terminals developed by Rediffusion. Known as "teleputers," these can transmit, receive and process computerised information and can be equipped with video-recorders and videodisc systems.

Rediffusion said yesterday that it demonstrated the teleputer in Moscow last month, two weeks before it was launched in Britain.

The Russian's were particularly taken by the terminal's ability to handle the Cyrillic characters used in the Russian alphabet.

The 46 videotex computers to be supplied by Rediffusion will be used to provide a complete maintenance reporting and control system for the gas pipeline. Rediffusion will also train about 1,500 Soviet specialists to use and maintain the computers.

Rediffusion Computers has done business for many years in the Soviet Union and Eastern Europe, and recently supplied a videotex installation for the Moscow hospital authority.

It said that it planned to double its staff in Moscow to 30 as a result of the latest order, and expected to obtain "significant" further business in the Soviet Union.

All the equipment will be manufactured at the company's Crawley and Peacehaven plants in Sussex.

Government to order investigation into coal board efficiency

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE GOVERNMENT is to refer the National Coal Board to the Monopolies and Mergers Commission for an investigation of its efficiency. This will cover the industry's wages bill and productivity record, and its financial performance.

The Cabinet is understood to have approved the move.

The NCB will be the fifth nationalised industry to be referred to the commission under the Government's 1980 Competition Act which opened the way for efficiency audits of public sector enterprises.

The commission has reported on the Central Electricity Generating Board, the Severn and Trent Water Authority, and British Rail's South-eastern services. It is investigating four subsidiaries of the National Bus Company.

The Government is supporting the board during the current year with £550m of operating grants to enable it to break even.

A major problem likely to be highlighted by the commission is the severe financial drain of the board's loss-making pits which have more than offset the profits at its most modern mines.

The commission may also be asked to review the NCB's investment planning procedures and the cost-effectiveness of its £700m a year expansion programme.

News of the inquiry comes during talks between the NCB and the National Union of Mineworkers about a new pay agreement to run from November 1. The board will raise coal prices by 5.5-8.5 per cent at the start of next month because of the pay increases and other rising costs.

It has promised to hold these prices for at least a year to win a bigger share of the home market and to maintain exports.

News of the inquiry also comes as the NCB is waiting to hear whether the Government is to give it permission to build three new mines in and around north-east Leicestershire's Vale of Belvoir.

It is nearly a year since the inspector, who headed a public inquiry into the board's plan, recommended that the NCB be given the green light.

However, Mr Michael Heseltine, the Environment Secretary, has expressed opposition to an immediate go-ahead.

BBC in talks with OFT on sports contracts

BY GARETH GRIFFITHS

BBC CONTRACTS covering some of the most popular sporting events in the country have been placed on the Register of Restrictive Trading Agreements. Further discussions are planned between the Office of Fair Trading and the corporation over the terms of the contracts.

About 16 current contracts between the BBC and promoters of sporting and similar events were placed on the list yesterday. The BBC has some 70 such contracts but many of them are no longer operable and agreements vary.

Generally, in return for the fee paid under the contract, the promoters accept restrictions on granting television or radio rights. There are also restrictions on advertising at the event.

Events covered include the main race meetings such as Ascot and the Horse of the Year show. Nine of the contracts are for radio coverage, the rest for television. Both the OFT and the BBC stress that the move will make no difference at all to coverage.

Both sides said unofficially yesterday that the move was only a formality.

Contracts between the sporting associations and the BBC and Independent Television provide generally cover whole seasons of sporting activities and, as well as cash payments, involve commitments to broadcast a cross-section of sporting activities. In terms of television budgeting, sports broadcasting is relatively cheap.

Midland Bank may join Eurocheque network

BY ALAN FRIEDMAN

MIDLAND BANK is "actively considering" joining the uniform Eurocheque system, the Europe wide cheque network which allows customers to write cheques in 39 currencies with a special cheque guarantee card.

Mr John Brooks, a Midland deputy chief executive, said yesterday that the bank was very interested in the scheme and was looking at the possibility of joining it. Until now no UK clearing bank has considered offering the Eurocheques which are widely used on the Continent, especially in West Germany.

According to a report in the current edition of Retail Banker International, Midland may announce its intention to join the uniform Eurocheque programme after this week's meeting of the Eurocheque working group in Vienna.

Mr Brooks said that before taking any decision, Midland would continue to consult with National Westminster, Lloyds and Williams and Glyn's banks. The Barclaycard-Visa product doubles as a cheque guarantee card and a credit card.

Mr Brooks said several options were being considered, including removing the "EC" symbol from Midland's cheque guarantee cards and issuing special Eurocheque cards and cheques. Midland was unlikely to replace its current cheques with the Eurocheque, but might offer the scheme as "an additional service to customers," he said.

At the moment British customers who travel to the Continent can use their £50 cheque guarantee cards and may exchange sterling-written cheques for foreign currency at banks, usually for a small commission.

The Eurocheque system does not require customers to go to banks and the cheques may be used at restaurants and shops without commission.

B Cal applies for rise in Scottish route fares

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH CALEDONIAN Airways has applied to the Civil Aviation Authority for approval to raise its fares on the routes between Gatwick and Scotland by just over 5 per cent, from November 4.

The changes would mean that a single economy fare between Gatwick and Glasgow/Edinburgh would rise from the present £56 to £59, while a first-class single fare would rise from £81 to £85.50.

Last week, the Civil Aviation Authority approved rises in the trunk route fares sought by British Airways. British Caledonian was late in making its application, however, and so must now await the CAA's decision.

If there are no objections, the CAA is likely to approve the request, since it can hardly allow BA to increase its rates without also allowing British Caledonian to do the same. So far, no objections have been received.

The authority is likely to announce soon some other major decisions on new fares. One is the application from British Midland Airways to fly on the London (Heathrow) to Glasgow and Edinburgh routes in competition with British Airways. A decision may come this week.

The CAA is also considering urgently its response to the application by Pan American to slash transatlantic fares from November 1 by amounts up to 66 per cent—a move that has already begun a "winter "fares war" on the route, with both British Airways and Trans World Airlines obliged to follow suit.

The CAA is worried about the impact of such cuts on the economic situation of British Airways.

With most transatlantic operations already incurring heavy losses, it is feared that cuts of the magnitude sought by Pan Am, while perhaps generating passenger traffic, would depress cash yields

Actuaries' work 'may face erosion'

By Eric Short

THE PROFESSIONAL freedom of actuaries could be in danger of "further erosion" by government legislation, Mr George Gwilt, general manager and actuary of Standard Life Assurance, said in his presidential address in Edinburgh last night to the Faculty of Actuaries.

He said that successive legislation had set out conditions in operation of life assurance that previously were left to the professional judgment of actuaries.

If future law laid down too much detail as to how life companies and pension funds determined solvency the role of the actuary would be relegated to that of a calculator, and the profession might wither away.

He referred to the position in Germany and France, where reliance on determining the solvency of companies was entirely on the basis of rules laid down by legislation.

ITV plans revealed in Christmas schedule war

BY ARTHUR SANDLES

THE BBC and ITV are still playing cat and mouse over their Christmas television schedules. ITV has now confirmed it will be showing the last episode of its well received Brideshead Revisited during the festive week, and also the film Close Encounters of the Third Kind. But the times of showing will have to await details of when the BBC plans to offer Gone With the Wind.

"We have a very strong set of programmes, and I think there will be some very worried faces at the BBC when they see this schedule," said Mr Michael Grade, director of programmes for London Weekend Television, a prime source of ITV festive light entertainment.

ITV's Christmas big guns include a Morecambe and Wise show with Susannah York and Sir Ralph Richardson among the guests; a documentary on Princess Anne; Barbara Woodhouse talking to a variety of Hollywood stars and their pets; the Royal Shakespeare Company's version of Chekov's Three Sisters; Brideshead; and films that include the Muppet Movie, Close Encounters, Dr No and The Way We Were.

Tradition will be observed with the Queen's Speech, a circus and even some religious services.

Report stresses key role of technological change

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

A SPECIAL report published today on microprocessor applications in the heating, ventilating, air conditioning and refrigeration industry forecasts promising long-term prospects as long as the industry responds to technological change.

The report, commissioned by the industry's sector working party and written by the Policy Studies Institute, found that many of the leading companies appear to be interested in the potential for microprocessor applications.

It warns, however, that the industry's continued presence in the high-technology products is dependent on its ability to respond adequately to technological change.

The report shows that output fell by 7 per cent last year, the lowest level since 1977. Exports dropped by 16 per cent, while imports—although falling by 13 per cent—maintained their share of UK demand at 22 per cent.

The working party has set itself a five-year target to achieve a reduction of import penetration of 18 per cent, a rise of exports at a rate of 5 per cent per annum, and an output rise at 2½ per cent per annum.

The report, after surveying a sample of 29 manufacturers, consultants and contractors in the industry, found that 76 per cent of the companies have a strong ability to undertake or direct a microprocessor product development programme (against 21 per cent two years ago).

But at the time of the survey, neither the four leading British package air-conditioning manufacturers, nor their control equipment suppliers, had undertaken serious feasibility or development work in this area.

Microprocessor applications in HVACR products. Free from NEDO Books.

Private building chiefs demand a fairer deal

BY ANDREW TAYLOR

LEGISLATION to ensure that local authority construction departments compete fairly and on the same basis as private sector contractors is not working and needs "toughening up," say construction industry chiefs.

Civil engineering and building employers say some councils are seeking to circumvent legislation designed to ensure there is fair competition between local authority direct labour organisations and private contractors.

They complain that councils are insisting on "trade union labour only" clauses in contracts. This does not allow fair competition.

The Federation of Associations of Specialists and Sub-contractors says Kirklees Metropolitan Council is one of those local authorities which insist on a "trade union labour only" clause in all contracts.

Mr John Huxtable, the Federation's director has written to Mr Michael Heseltine, Environment Secretary, and Mr Norman Tebbit, Employment Secretary, requesting that the Government consider new legislation "to control such irresponsible action."

Kirkless Council says the Federation's view is an over simplification and its standing orders require it to place contracts with employers who have trade union labour on site. This does not constitute a trade union labour only general rule, says the council.

The Federation of Master Builders has also complained to Mr Heseltine about Cardiff City Council which it says has made "a mockery of normal tendering procedures."

The Federation claims that a contract to paint 466 Cardiff properties was won by the council's direct labour organisation despite the fact that the council department had submitted only the third lowest bid.

The Federation claims the council awarded its own department the job because not to have done so would have meant redundancies and redundancy payments. "There is now a bizarre situation in which a tender by a private contractor could have possible local authority redundancy payments added before making a comparison with quotes made by a direct labour organisation."

Cardiff City Council says this contract was a rare exception to its normal tendering policy and the contract award was motivated by the need to save jobs.

The Federation of Civil Engineering Contractors says councils are increasingly introducing contract clauses which discriminate in favour of its own labour departments.

These include:

- Union only contract clauses.
- Clauses laying down set levels of apprenticeship.
- Health and safety requirements beyond the provisions of legislation.
- Requirements for the divulgence of political contributions.
- The requirement of performance bonds over and above normal levels.
- The requirement to approve industrial relations and other policies of the contractor.

The civil engineers say they have evidence of many cases where contracts have been awarded to direct labour organisations even though these had not submitted the lowest tender.

It says government measures designed to ensure fair competition only affected highway contracts of more than £100,000. This threshold is too high. The threshold for highway and water and sewerage contracts should be £25,000.

The National Federation of Building Employers claims that some councils have been subdividing contracts so that individual portions fall below the thresholds established by the government under its fair competition legislation.

The Building Employers Federation has also complained about restrictive clauses in local authority contracts. "If these provisions are allowed to continue to proliferate with the result that our members are prevented from getting work with local authorities we would be forced to consider taking such legal action as we may be advised could be effective," it says.

The construction industry employers are providing evidence to the Government which is reviewing its fair competition legislation.

Contract cleaning considered

By Lisa Wood

THE LONDON borough of Wandsworth was expected last night to authorise detailed negotiations with five private contractors who have tendered for the borough's cleansing work.

No decision has yet been taken by the Conservative-controlled council to contract out the service but it has estimated that privatisation could save up to £2m over a five-year period.

A total of 18 companies tendered for the contract. At the meeting last night of the policy and finance committee, officers sought authority to negotiate with the five who offered the most attractive tenders.

The council said negotiations would include the different terms of transfer offered by companies to the council's own refuse collectors. The borough has some 100 men employed in street cleansing and allied work and could bear heavy redundancy costs.

It is estimated that over a five-year period cleansing by the borough's direct labour department would cost £6.1m. Private contractors' tenders for the same period range from £3.8m to £5.3m.

Earlier this month the borough council decided to start legal proceedings against a "blacking" threat by the National and Local Government Officers Association (NALGO).

Local officers of the union had warned that those companies tendering for a contract to clean the borough's streets would be blacked throughout Britain.

However the council is not proceeding with legal action after receiving undertakings from the union not to proceed with the threat.

Record price for bureau

IN New York at the weekend an auction record price for an English furniture item of £463,366 ($860,000) was paid by a U.S. collector for a Queen Anne black-japanned bureau bookcase. Among its owners had been Queen Mary, the Duke of Windsor and Merle Oberon, the actress, who sold it in 1973 for $95,000.

The price, well over three times the forecast reflects the high prices paid in the U.S. this year for top-quality English furniture.

The remaining contents of the White House, Cossington, Leics., the home of Lady Barnett, were sold by Christie's South Kensington yesterday. A painting of ladies by a lakeside by Sir William Russell Flint sold for £4,600. A late Meissen monkey-band set of 14 figures realised £2,200. A News

SALEROOM

BY ANTONY THORNCROFT

Chronicle television award to Lady Barnett made £40.

Top price at Sotheby's was £36,000 for a Blaeu Atlas Major, a second edition of 1665, with 605 plates and 572 maps. It was bought by Quaritch, the London dealer. John Speed's Theatre of the Empire of Great Britain, 1627, with 89 maps, fetched £11,000.

At Christie's yesterday Sewell, the London dealer, paid £3,400 for a Spode New Stone part dinner-service. Hendricks Imports acquired a Davenport Longport stone china dinner-service for £2,700.

Self employed call for abolition of industrial rates

BY JAMES McDONALD

INCOME TAX or VAT could be used by central Government as an alternative source of revenue if non-domestic rates on industrial and commercial property were abolished, says a report by the National Federation of Self-Employed and Small Businesses.

The increases could be accompanied by correspondingly large grants to local authorities, or a transfer of some local services to central Government.

Another alternative could be a local income tax to prevent an increased dependence on central Government grants and to promote local autonomy, suggests the report, prepared for the federation by Professor Cedric Sandford, Director of Bath University Centre for Fiscal Studies.

Professor Sandford calls for "the ending of the relief on domestic rates introduced in 1967; a rates holiday for new businesses; and the exemption from rates o the first slice of rateable value of business properties."

The report says that, although it might work against the federation's objective of abolishing non-domestic rates, "there is a strong case for an early revaluation to remove the inequities arising from out of date valuations."

Professor Sandford's view is that an early revaluation should be sought "because no early abolition is likely."

He also suggests that the case for abolition should also be pressed on opposition political parties.

The report says rates on industrial and commercial property reduce investment and are an obstacle to new businesses.

"The non-domestic rate is the most destructive tax ever to have been imposed," declared Mr Brian Kelly, secretary of the federation, introducing the report in London yesterday. It damages profits and investment, fans inflation and makes exports dearer and imports more competitive."

Robin Pauley writes: The Confederation of British Industry, once in favour of a government imposed-ceiling on non-domestic rate rises, has since decided firmly against centralist solutions.

One reason for the change is a fear that the Government's proposed legislation to swing the burden of high council spending onto domestic ratepayers could in the future be turned against commerce and industry.

Another is that the CBI has realised the political difficulties of increasing the domestic burden. An internal CBI paper shows that a 10 per cent limit on non-domestic rates in 1980-1981 would have forced domestic rate bills up by 34.8 per cent nationally, against the actual rise of 22.1 per cent. In Inner London, the rise would have been 60.4 per cent instead of 26.6 per cent.

Research by the Association of Metropolitan Authorities shows that rates, as a percentage of industry's wage bill, have remained constant at about 2 per cent since 1975.

The proportion of the rates bill paid by non-domestic ratepayers has declined from 60 per cent in 1975-76 to 54.9 per cent in 1981-82, with a corresponding rise on the domestic side.

Department of Employment surveys in Tyne and Wear and West Yorkshire into reasons for redundancy produced a wide range of answers, led by recession and lack of demand but no mention anywhere of the rates burden.

"A Report on Non-Domestic Rates, With Special Reference to Small Firms" by Professor Cedric Sandford. National Federation of Self Employed and Small Businesses, 45, Russell Square, London, WC1. £1.

UK NEWS — LABOUR

Agricultural workers seek parity with industry

By Brian Groom, Labour Staff

A PAY CLAIM to raise the earnings of 250,000 farm-workers in England and Wales to the average industrial wage was lodged yesterday by the National Union of Agricultural and Allied Workers.

The claim would mean an increase of about £30 on current average full-time earnings, including overtime, of £96 a week. The present minimum is £64 for a 40-hour week. Full-time farm-workers put in about six hours' overtime a week.

The 75,000-strong union put its case yesterday to the Agricultural Wages Board. The board comprises union representatives, the National Farmers' Union, as employers, and independent members.

The NFU will put its case at the next meeting, on November 9. The board will then decide on an offer.

Last year there was considerable union anger over imposition of a 10.3 per cent award. Yesterday NUAAW leaders were despondent after the board's meeting. They expect a single-figure offer.

A demand for an emergency pay rise to combat the effects of the Budget was turned down by farmers in May. The farm-workers' annual settlement date is January.

Other elements of the claim lodged yesterday include a lowering of the age at which the adult rate is paid, from 20 to 18, substantial reduction in working hours, payment of holiday pay at time-and-a-half.

The union also seeks to end the lower hourly rate paid to part-timers. It says this is merely a way of paying less to women.

Left wants AUEW poll re-run

BY PHILIP BASSETT, LABOUR STAFF

LEFT-WINGERS in the Amalgamated Union of Engineering Workers are seeking a re-run of last year's elections for the union's presidency which saw a landslide victory for the moderate Mr Terry Duffy.

Efforts by the Left in the AUEW engineering section follow a 7—3 decision by the union's final appeals court that the AUEW Journal and some 250,000 circulated broadsheets on unemployment had been used to support Mr Duffy's campaign, contrary to union rules.

One of the appeals granted by the court specifically seeks that Sir John Boyd, the general secretary, should, as the union's returning officer, disqualify Mr Duffy from the election.

The complaints dealt with by the union's appeals court objected to an editorial in September last year, days before the formal opening of the presidential campaign, written by Sir John, which said: "No one who reads this Journal, or who takes an interest in union activity, can fail to recognise the leadership qualities shown by Terry Duffy and the present executive council."

The editorial, which was criticised then by the Left as being outright campaigning on Mr Duffy's behalf, also said: "Terry Duffy and the present executive council have been out front pressing our union's policies on Government, employers, nationalised industries, Nedo and even the CBI."

Mr Bob Wright, a Left-winger who is the union's assistant general secretary and was Mr Duffy's main opponent in the election, said yesterday: "There should be a new ballot with all of the candidates. That would be the test. There should be no use of the union's Journal or any other material that favours Mr Duffy or anybody else."

Left-wingers are concerned that despite a union rule which states clearly that appeals court decisions must be given "immediate effect," by the executive, little may be done.

Therefore, they may consider legal action in support of the appeals court's latest decision.

Mr Wright said: "I'm not one of those who runs off to the courts. I don't think the courts have any wisdom we haven't got in the union. "But if people are forced into certain decisions, perhaps that will have to be considered. But I would hope not."

Sir John and Mr Duffy yesterday denied that the apeals court decision had any effect on the outcome of the election. Mr Duffy said the appeals court was "in Communist hands."

John Lloyd looks at the alternative for Robb Caledon

Another Scottish shipyard refuses to die

TEN YEARS ON, another Scottish shipyard refuses to be classified as a lame duck and to have its neck quietly wrung.

Robb Caledon on Dundee's half-derelict waterfront will never attain the status of Upper Clyde Shipbuilders. A Thatcher government will not "turn" for a smallish yard in a smallish Scots city, the less so when industrial giants like BL test the Cabinet's nerve and render Caledon all but invisible.

Yet the refusal of its residual 140-strong workforce to acquiesce in British Shipbuilders' two-year struggle to close it has shaken the corporation, won the enthusiastic support of officials of the Confederation of Shipbuilding and Engineering Unions and attracted a spectrum of support in Scotland. It was the sole cause of the three-week industrial dispute at BS—a campaign of one-day national strikes and overtime bans which was the most expensive national action since the 1950s.

Talks at the Advisory, Conciliation and Arbitration Service aimed at resolving the dispute over the closure of the Robb Caledon shipyard in Dundee were adjourned yesterday until next Monday. There will be no resumption of the campaign of one-day strikes and overtime bans.

Mr Pat Lowry, Acas chairman, and Mr Dennis Boyd, chief conciliation officer, held discussions separately, with British Shipbuilders management and with the shipbuilding negotiating committee of the Confederation of Shipbuilding and Engineering Unions. Both sides explained their position in detail.

That action was only called off last week when BS told the confederation executive that it was on the brink of losing a "major contract" destined for Vosper Shiprepair, when shipbuilding workers up and down the coutry began to show signs of strained loyalty in their otherwise impressive support for Caledon and when the company agreed to allow the yard's closure, and the compulsory redundancies of the remaining workers, to be part of the agenda of discussion. That agenda formed the content of the meeting between company and confederation at the Advisory, Conciliation and Arbitration Service yesterday.

Mr Harry McLevy, district secretary of the confederation and of the Amalgamated Union of Engineering Workers, believed there were two reasons why the workforce stood out against the practice set by 20,000 of their former colleagues in UK yards who had taken voluntary redundancy since the unions, by signing the Blackpool agreement in 1979, gave BS effective permission to get itself down to an international fighting weight.

First, Caledon is as Mr McLevy puts it, "the heart of the Dundee Labour movement." Second, the workers did not believe it should be shut. National officials are the third reason: BS had got its own way for too long and was proving intransigent.

Robb Caledon has been in existence for over a century, since the time when Dundee was the centre of Britain's jute industry. It built ships for Empire trade and girders for the Tay Bridge: it employed McLevy's father and grandfather and those of many other workers. After the war, it employed about 1,000 workers—big enough, in a city of medium-sized employers, to provide the training ground for Labour movement leaders and to be a centre of political debate and agitation.

Its political strength remains although its industrial strength has declined. Mr McLevy, a former convenor at the yard, is in an unbroken tradition of ex-Caledon district secretaries. He was re-elected last year against an opponent who works in the local Timex factory where many more than the 100 AUEW members at Caledon are employed: yet Mr McLevy received 80 per cent of the vote.

"There's thousands of pounds gone in these gates from Dundeee workers." he says. "All the clubs and pubs have a box for the Caledon."

Mr Bob Barty, the yard convenor and the boilermakers' shop steward, underscores Mrs McLevy's claim that the yard had no need to close. He and his colleagues blame the yard's management, both before the nationalisation in 1977 and afterwards.

The essence of their charge is that it did not try hard enough to gain orders. A task force, composed of Caledon managers and some BS executives, set up to find work, was unsuccessful. Lists of inquiries received by the yard and obtained by the stewards shows a number of those were turned away on the grounds that the orders were "too large" or "too small" or that "the drawing office was fully occupied." Yet, say the stewards, the last order filled was very small.

There is an alternative to closure.

Caledon lies next to the yard of Kestrel Marine, an aggressive and successful company which continues to grow rapidly from oil platform work. Kestrel is at present involved in a complex deal with BS which includes the Scottish Development Agency, aimed at taking over the yard. In outline, the deal would mean that BS assigns its lease on the 21-acre site to the SDA—though continuing to pay rent on it—while the SDA "rents" it on to Kestrel.

Rand Mines Limited

A Member of the Barlow Rand Group

Gold Mining and Colliery Company Reports for the Quarter ended 30th September, 1981

(All Companies incorporated in the Republic of South Africa)

Office of the Secretaries of the undermentioned companies in the United Kingdom: 40, Holborn Viaduct, London EC1P 1AJ

HARMONY GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL: R13 442 325 IN 26 884 650 SHARES OF 50 CENTS EACH

REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30TH SEPTEMBER, 1981.

OPERATING RESULTS—ALL PRODUCTS	Quarter ended 30.9.1981	Quarter ended 30.6.1981
Ore milled (t)	1 941 000	1 948 000
Gold—produced (kg)	8 081	8 028
—yield (g/t)	4.16	4.12
Uranium—pulp treated (t)	1 742 000	1 824 000
—oxide produced (kg)	152 419	146 593
—yield (kg/t)	0.087	0.080
Pyrite-concentrate recovered (t)	25 166	24 248
Sulphuric Acid—produced (t)	30 627	40 498
Total Revenue (R/t milled)	55.64	58.81
Total Cost (R/t milled)	38.44	37.57
Total Profit (R/t milled)	17.20	21.24
Total price received (R/kg)	12 813	13 087
($/oz)	426	486
FINANCIAL RESULTS (000's)—All products		
Revenue—Gold, Silver and Osmiridium	R103 834	R105 362
—Uranium, Pyrite and Sulphuric Acid	R4 163	R9 196
Total revenue	R107 997	R114 558
Cost	R74 603	R73 185
Working profit	R33 394	R41 373
Sundry revenue (net)	R3 305	R2 781
Profit before taxation and State's share of profit	R35 693	R44 159
Taxation and State's share of profit	R13 593	R17 664
Profit after taxation and State's share of profit	R23 107	R26 489
Capital expenditure	R9 446	R8 938
Dividend declared	R32 262	—

DIVIDEND

Interim dividend No. 50 of 120 cents per share was declared on 10th September, 1981 payable on or about 5th November, 1981 to shareholders registered on 25th September, 1981.

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R13 013 000. The estimated total capital expenditure for the remainder of the current financial year is R35.3 million.

For and on behalf of the Board.

D. T. WATT (Chairman), C. G. KNOBBS — Directors

Registered Office: 63, Fox Street, Johannesburg. 2001.

12th October, 1981.

DURBAN ROODEPOORT DEEP, LIMITED

ISSUED CAPITAL: R2 325 000 IN SHARES OF R1.00 EACH

REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30TH SEPTEMBER, 1981.

OPERATING RESULTS	Quarter ended 30.9.1981	Quarter ended 30.6.1981
Ore milled (t)	602 000	543 000
Gold produced (kg)	2 273.2	1 947.3
Yield (g/t)	3.78	3.59
Revenue (R/t milled)	48.85	46.23
Cost (R/t milled)	36.16	37.82
Profit (R/t milled)	12.69	8.40
Revenue (R000's)	29 410	25 128
Cost (R000's)	21 773	20 567
Profit (R000's)	7 637	4 561
Gold price received (R/kg)	12 908	12 878
($/oz)	429	478
FINANCIAL RESULTS (000's)		
Working Profit—Gold	R7 637	R4 561
Sundry revenue—(net)	R538	R399
State assistance claimed—see note	—	—
Profit before taxation	R8 175	R4 960
Taxation	R225	R234
Profit after taxation	R7 900	R4 716
Capital expenditure	R6 490	R4 603
Dividend declared	—	R1 976

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R9 395 000. The estimated total capital expenditure for the remainder of the current financial year is R6.2 million.

STATE ASSISTANCE

The Government Mining Engineer has approved capital expenditure of R8 431 000 to be incurred during 1981 as qualifying for State Assistance under the Gold Mines Assistance Act, 1968.

Based on the profit achieved and taking into account the amount of capital expenditure allowed for State Assistance purposes, the company cannot claim State Assistance for the nine months ended 30th September, 1981.

For and on behalf of the Board.

D. T. WATT (Chairman), H. G. MOSENTHAL — Directors

Registered Office: 63, Fox Street, Johannesburg. 2001.

12th October, 1981.

EAST RAND PROPRIETARY MINES, LIMITED

ISSUED CAPITAL: R5 544 000 IN SHARES OF R1.00 EACH

REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30TH SEPTEMBER, 1981.

OPERATING RESULTS	Quarter ended 30.9.1981	Quarter ended 30.6.1981
Gold		
Ore milled (t)	657 000	658 000
Gold produced (kg)	2 910.6	2 976.3
Yield (g/t)	4.43	4.52
Revenue (R/t milled)	56.65	59.30
Cost (R/t milled)	51.45	49.71
Profit/(loss) (R/t milled)	5.20	9.59
Revenue (R000's)	37 216	39 017
Cost (R000's)	33 803	32 709
Profit/(loss) (R000's)	3 413	6 308
Gold price received (R/kg)	12 768	13 084
($/oz)	422	485
FINANCIAL RESULTS (000's)		
Working Profit—Gold	R3 413	R6 308
Sundry revenue—(net)	R2 070	R3 139
State assistance claimed—see note	R1 297	—
Profit before taxation and State's share of profit	R6 780	R9 447
Taxation and State's share of profit (over-provision)	—	(R557)
Profit after taxation and State's share of profit	R6 780	R10 004
Capital expenditure	R12 157	R12 702
Dividend declared	—	R2 772

CAPITAL EXPENDITURE

The further drop in the gold price has led to a decision to delay expenditure on work related to the increase in the mine's production capacity. At this stage it is not intended to curtail to any appreciable extent work on the modernisation programme which is necessary to ensure the longterm viability of the mine and which will lead to improved production efficiencies. However, the whole capital expenditure programme, in conjunction with working cash requirements and cash resources, is being kept under continuous review in the light of gold prices actually received and perceived future trends in the gold price.

There are commitments for capital expenditure amounting to R29 006 000. The estimated total capital exependiture for the remainder of the current financial year is R15.0 million.

STATE ASSISTANCE

As was reported for the quarter ending 30th June, 1981, the Government Mining Engineer has approved capital expenditure of R25 203 000 to be incurred during 1981 as qualifying for State Assistance under the Gold Mines Assistance Act, 1968.

This limit, however, will probably not be reached in 1981, due to the decision to delay certain work, but, based on results achieved and the amount spent on approved capital expenditure to date, the company can claim R1.297 million in State Assistance for the nine months ended 30th September, 1981.

GENERAL

The yield was adversely affected by the aftermath of the fire in the high grade area of the mine reported in the previous quarter. A severe power failure in September, 1981 adversely affected the tonnage milled. Both these factors contributed to the gold production being lower than in the previous quarter.

For and on behalf of the Board.

D. T. WATT (Chairman), H. G. MOSENTHAL — Directors

Registered Office: 63, Fox Street, Johannesburg. 2001.

12th October, 1981

BLYVOORUITZICHT GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL: R6 000 000 in 24 000 000 SHARES OF 25 CENTS EACH

REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30TH SEPTEMBER, 1981.

OPERATING RESULTS	Quarter ended 30.9.1981	Quarter ended 30.6.1981
Gold		
Ore milled (t)	555 000	536 000
Gold produced (kg)	4 931.5	4 672.0
Yield (g/t)	8.29	8.72
Revenue (R/t milled)	114.04	113.25
Cost (R/t milled)	48.62	48.99
Profit (R/t milled)	65.42	64.26
Revenue (R000's)	63 292	60 702
Cost (R000's)	26 983	26 260
Profit (R000's)	36 309	34 442
Gold price received (R/kg)	12 808	12 960
($/oz)	425	480
Uranium oxide		
Pulp treated (t)	503 035	520 745
Oxide produced (kg)	78 356	85 294
Yield (kg/t)	0.156	0.164
FINANCIAL RESULTS (000's)		
Working Profit: Gold	R36 309	R34 442
Working Profit/(loss): Uranium Oxide	(R1 194)	R1 253
Sundry expenditure (net)	(R322)	(R1 696)
Profit before taxation and State's share of profit	R34 793	R33 999
Taxation and State's share of profit	R17 751	R16 393
Profit after taxation and State's share of profit	R17 042	R17 606
Capital expenditure	R4 112	R5 537
Dividend declared	—	R24 000

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R2 871 000. The estimated total capital expenditure for the remainder of the current financial year is R13.3 million.

TRIBUTE AGREEMENT WITH WEST DRIEFONTEIN GOLD MINING COMPANY, LIMITED

In terms of a tribute agreement between West Driefontein Gold Mining Company, Limited, and this company, concluded on 9th November, 1979, royalties amounting to R2 324 000 are due to that company for the quarter ended 30th September, 1981. This amount is included in "Sundry expenditure—net."

UNDERGROUND FIRE

On 13th August, 1981, a fire occurred in panels 27 and 28 West B4 incline shaft. As a result of the fire all mining operations in the A4 area were disrupted from 14th to 17th August, 1981. Approximately 8 700 tons of production were lost.

GENERAL

The uranium loss for the quarter was due to a sale being deferred.

For and on behalf of the Board.

D. T. WATT (Chairman), J. R. FORBES — Directors

Registered Office: 63, Fox Street, Johannesburg 2001.

12th October, 1981.

WELGEDACHT EXPLORATION COMPANY, LIMITED

ISSUED CAPITAL: R4 090 813 IN SHARES OF 45 CENTS EACH.

REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30TH SEPTEMBER, 1981 ON THE OPERATIONS OF THE COMPANY AND ITS WHOLLY-OWNED SUBSIDIARY.

OPERATING RESULTS	Quarter ended 30.9.1981	Quarter ended 30.6.1981
Tons sold—metric	547 813	590 203
Working Profit—cents per ton	311.1	252.3
FINANCIAL RESULTS (000's)		
Working profit	R1 704	R1 489
Net railway revenue	R18	R832
Net sundry revenue	R293	R59
PROFIT BEFORE TAXATION	R2 015	R2 380
Taxation	(R41)	R608
PROFIT AFTER TAXATION	R2 056	R1 772
Capital expenditure	R2 096	R992
Dividend declared	R1 818	R909

DIVIDENDS

Dividend No 48 of 20 cents per share was declared on 15th October 1981 payable on or about 17th November 1981 to shareholders registered on 30th October, 1981.

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R3 472 000.

GENERAL

Working profit increased due to higher realisations on exports.

For and on behalf of the Board.

R. B. MACGILLIVRAY, H. R. J. POSSELT — Directors

Registered Office: 63, Fox Street, Johannesburg, 2001.

15th October, 1981

WITBANK COLLIERY, LIMITED

ISSUED CAPITAL: R13 831 454 IN ORDINARY SHARES OF R2 EACH.

REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30TH SEPTEMBER, 1981 ON THE OPERATIONS OF THE COMPANY AND ITS WHOLLY-OWNED SUBSIDIARIES.

OPERATING RESULTS	Quarter ended 30.9.1981	Quarter ended 30.6.1981
Tons sold—metric	2 843 651	2 895 249
Working profit—cents per ton	734.6	739.5
FINANCIAL RESULTS (000's)		
Working profit	R20 888	R21 410
Net sundry revenue/expenditure	R146	(R165)
PROFIT BEFORE TAXATION	R21 034	R21 245
Taxation	R12	—
PROFIT AFTER TAXATION	R21 022	R21 245
Capital expenditure—gross	R17 162	R7 192
Exploration expenditure—included in net sundry revenue	R231	R183
Dividend declared	R14 523	R8 981

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R74 070 000. The capital expenditure during the quarter was as planned. The major costs incurred mainly arose in connection with the washing plant and infrastructure, the overland conveyor and dragline payments together with additional expenditure incurred at Duvha, in terms of the agreement with Escom.

DIVIDEND

Dividend No. 150 of 210 cents per share was declared on 15th October, 1981 payable on or about 17th November, 1981 to shareholders registered on 30th October, 1981

For and on behalf of the Board

R. B. MACGILLIVRAY (Deputy Chairman), R. W. CHADWICK — Directors

Registered Office: 63, Fox Street, Johannesburg. 2001.

15th October, 1981

GENERAL NOTE

1. All financial figures are subject to audit.

Copies of these quarterly reports are obtainable from the United Kingdom Registrars and Transfer Agents, Charter Consolidated Limited, P.O. Box No. 102, Charter House, Park Street, Ashford Kent TN24 8EQ.

Burmah Oil warns over work-to-rule

FINANCIAL TIMES REPORTER

MANAGEMENT at the Burmah Oil refinery at Ellesmere Port, which is scheduled for closure, has warned workers that they will forfeit a large part of their redundancy payments if they do not end an overtime ban and work-to-rule.

The refinery was to have halted output at the end of this year, although winding-up operations would provide some men with work until about April. Now the 1,000 workers have been told that if they do not resume normal working the plant will be closed immediately.

The overtime ban and work-to-rule were introduced three months ago by craft unions and members of the Association of Scientific, Technical and Managerial Staffs, in an attempt to persuade management to improve severance terms.

About 500 members of the Transport and General Workers' Union joined the action three weeks ago.

The action has resulted in the refinery being brought to a standstill.

Each worker who goes back to normal work at the refinery where there is still 900,000 tonnes of crude oil to be processed will be given a £2,000 lump sum payment. Those who fail to comply with the company's wishes will miss out on the £2,000. They will also forego a pay increase to be finalised next month which would raise redundancy settlements.

Tribunal rejects claim

FINANCIAL TIMES REPORTER

PRISON OFFICERS are not entitled to claim protection from unfair dismissal, the Employment Appeal Tribunal ruled yesterday.

The court allowed an appeal by the Home Office against a London industrial tribunal which said sacked prison officer, Mr James Robinson, of Streatham, London, could go ahead with his claim.

The Home Office successfully contended that as a prison officer had all the "powers, protection and privileges" of a constable, he came into the "police service" category of employees excluded from unfair dismissal rights.

Mr Robinson was dismissed following an off-duty incident involving a fellow prison officer. He had sought to claim compensation for unfair dismissal.

But Mr Justice Browne-Wilkinson, the tribunal chairman, said yesterday that it did not matter that the incident leading to the dismissal happened outside working hours.

The Prison Officers' Association, regarding the matter as a test case on the working rights of its members, was given leave to refer the matter to the Court of Appeal.

Over 300 lose jobs after sit-in

STAFFA PRODUCTS, a hydraulic motors subsidiary of Brown and Sharpe of the U.S., has sacked more than 300 of the 390 workers at its plant in Leyton, East London.

Police cleared the premises at the weekend, ending an 18-day sit-in by members of the Amalgamated Union of Engineering Workers in protest at the company's plans to switch production to Plymouth.

Meat inspectors to step up action

INDUSTRIAL ACTION by meat inspectors at more than 1,000 abattoirs in England and Wales is to be stepped up, the mens' union decided.

The 620 meat inspectors, employed by local authorities, have been working to rule for the last six weeks in support of a demand for regarding which would give them pay rises of up to 24 per cent.

£70 over the odds.

Our new Pearlcorder X-O1 is not a machine for the cost-conscious executive.

It will set you back – brace yourself – all of £135.

Which we are the first to admit is considerably more than you need pay for a pocket recorder. (Indeed, we make a reliable model ourselves for £65.)

So why splash out on the X-O1? Wouldn't it be an act of outrageous extravagance?

You bet it would.

The X-O1 is a monument to our scientists' ingenuity, not always restricted, we freely confess, to essentials.

The touch of a button, not the clunk of a switch.

Although our price may hurt your pocket, our machine won't. It's the smallest and lightest recorder in our range.

We've replaced mechanical switches with electronic buttons. Touch don't press.

We've found a way of grouping all the important controls on the front, not up the sides and round the back.

A big improvement on machines decked out like piano accordions.

To change modes, you touch one button instead of the customary two.

Useful if you're haring down the M1 while you record.

Cloak-and-dagger work.

For £135 you should get more out of a recorder than 'Take a letter Miss Smith.'

The X-O1, you'll be pleased to hear, records in your pocket as well as in front of your face.

Working in the dark, you needn't worry about touching the wrong button.

Before you start, programme the X-O1 to accept certain instructions and ignore others.

It will also take you unerringly in double-quick time to a section of the tape you want to hear.

The two-hour tape.

A suitable companion for our smaller, lighter recorder is our smaller, lighter cassette: a Microcassette the size of a book of matches.

Its capstan-driven tape (our scientists weren't happy with the conventional reel-drive) runs at a fixed speed.

So you can record symphonies as well as seminars.

It runs for two hours (or one hour at full speed) which leaves our rivals speechless.

At the end of the tape, the machine switches itself off. An alarm keeps you informed.

And you can see when the batteries are running low. After twelve hours, the LCD flickers.

No TV pictures.

Reluctantly, our scientists decided the LCD window is too small for 'Match of the Day.' However, 'waste not want not' being their maxim, they used the space, when not required as a tape counter, as a clock.

Ingeniously, it keeps going when the batteries stop.

You can buy a shopful of accessories to use with the X-O1. For example, a transcriber, telephone pick-up, tie-clip microphone, remote control switch and car adaptor.

You can even order its brain to work with your computer's brain.

Marina versus Maserati.

At the International Business Show in Birmingham, the X-O1 will appear on the Olympus stand (No. 517), its wonders to perform. Some of them, you may decide, are self-indulgent and unnecessary.

But isn't that like turning down a Maserati because it's an expensive way of getting from A to B?

If you can't attend the IBS, we'll send you some literature and a list of stockists.

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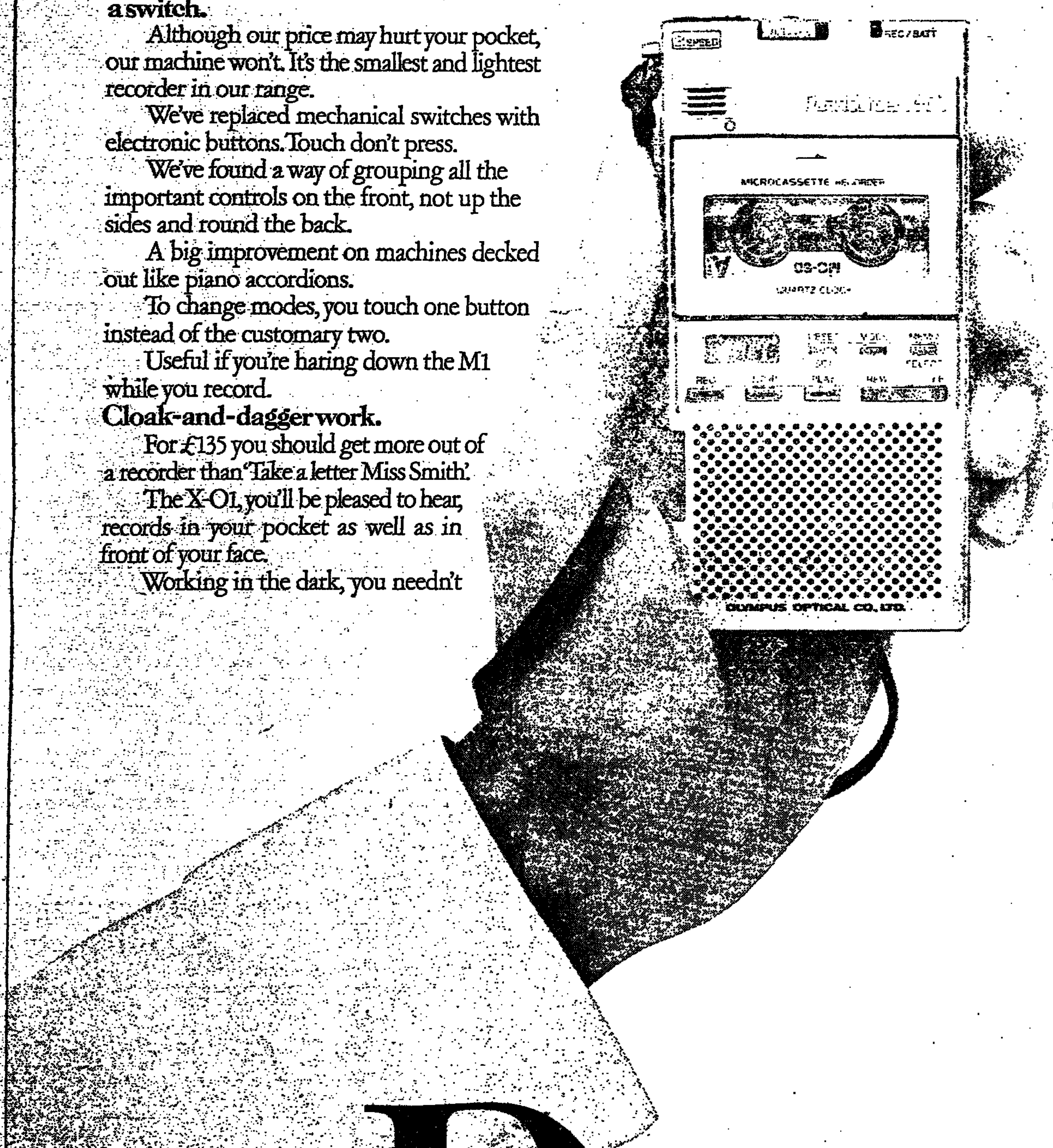
Olympus Pearlcorder X-O1



Damn the expense.

UK NEWS – PARLIAMENT and POLITICS

Lawson announces sale of oil and gas assets

BY IVOR OWEN

BOTH THE British National Oil Corporation and the British Gas Corporation are in for "*much needed and long overdue* competition," Mr **Nigel Lawson**, the Energy Secretary, assured the Commons yesterday, when he previewed what seems likely to be billed as the denationalisation sale of the century.

When asked to estimate the value of the state-owned assets to be put on offer to the private sector he stated that "without doubt" they would amount to the biggest programme of privatisation ever to be placed before Parliament.

With MPs on their first day back in the Commons since the summer recess the statement was given a relatively quiet reception from both sides of the House.

But Mr Merlyn Rees Labour's shadow Energy Minister, made it clear that the enabling legislation, to be introduced in the new Parliamentary session opening next month, will be fiercely contested.

Mr Lawson explained that the denationalisation measure would allow the transfer "I would hope next year" — of the entire oil-producing business of BNOC to the private sector, with the state retaining only a minority stake.

It would also include provisions to privatise the substantial offshore oil business of British Gas and abolish the Corporation's unique statutory rights over both the purchase of gas and its sale to industry in particular.

Ignoring a few cries of "scandalous" from the Opposition benches, Mr Lawson claimed that the monopoly powers of British Gas had acted as a serious disincentive to exploration and development of gas supplies on the UK Continental Shelf, with the result that industry had not received all the gas it needed.

To Tory cheers, he stressed: "The measures to be introduced, which will include effective private access to the Gas Corporation's pipeline system, will for the first time introduce real competition into the market for gas."

Only one part of the Minister's statement received any welcoming word from Labour MPs—his confirmation that the much-heralded sale of the Gas Corporation's 900 High Street showrooms has been shelved.

Mr Lawson emphasised that the Bill would give the Government authority to order the sale of the showrooms and, to the accompaniment of mocking laughter from the Labour benches, insisted: "The Government remains fully committed to breaking this monopoly as soon as practicable."

The delay in the disposal of the showrooms, he confirmed, arose from the need to ensure that safety standards for gas appliances were fully maintained. This reuired "complex" legislation for which there was unlikely to be time in the new parliamentary session.

Mr Lawson contended that the Government's proposals would prove good for the future of industry, good for the successful future development of the oil and gas industries, and good for the whole nation.

Rejecting this forecast, Mr Rees argued that all the Minister had done was to underline the Government's anti-public enterprise stance even when the public enterprise concerned was such that in other parts of the world it would be categorised as successful under any criteria.

Was it really the case, he demanded, that the Government believed that a private company would be able to supply gas at cheaper rate than British Gas?

Mr Rees said the only thing to be grateful for from the Minister's statement was that it had announced the "death" of the sale of the gas showrooms.

Mr Lawson dismissed the objections raised by Mr Rees as an example of his customary "huffing and puffing."

Despite the views of the Opposition, he said, there was every reason to believe that the new freedom of competition would result in more gas being developed and brought ashore and that would be to the benefit of British industry.

Mr Tim Eggar (Con., Enfield North) welcomed the Government's proposals but maintained that action was also needed to introduce private equity into the Gas Corporation.

Sounding a note of caution, Mr Lawson underlined that the proposals he had put before the House were "substantial."

He declared: "They go as far as they should go and it is not my intention to introduce legislation to have direct private equity participation in the public utility which is the British Gas Corporation.

Lawson: biggest ever privatisation programme

For the Social Democrats, Dr David Owen condemned the Government's proposals as "pure party political dogma."

He urged the Government to acknowledge that it had made the wrong decision over the proposed sale of the gas showrooms.

Government firm over Registry of Business Names

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT stood firm again in the Commons last night against attempts to save the Registry of Business Names from abolition.

The Labour Party put down an amendment to preserve the registry during the report stage of the Companies (No 2) Bill.

This gained some support from the Conservative backbenches, and **Mr Anthony Beaumont-Dark** (Con Selly Oak) said he would vote for it.

But the amendment was defeated by a Government majority of 46 (210-256).

During the long controversy over the future of the Registry many companies, businesses and professional organisations and the legal profession have made representations urging the Government to change its mind. They complain that abolition would make it difficult for them to check the ownership and standing of companies with whom they do business.

Last night **Mr John Smith**, Labour's Trade spokesman accused the Government of "losing its marbles."

He claimed that the Department of Trade had been told to come up with something to reduce the number of civil servants and the Registry had been selected as the "sacrificial lamb."

Mr Reginald Eyre, Under-Secretary for Trade, recognised the sincerity of the arguments for retaining the Registry but said they had to be put on one side.

The overwhelming majority of the 2.5m names covered by the 65-year-old Registry were those of companies. Yet, he said, Government inquiries showed that 40 per cent of users had been unable to find the names they needed and that 1m entries were completely out of date.

Samples taken at typical shopping areas, in April showed an even lower rate of compliance—one third of those that should have registered had not done so. The process of registration had been declining and continued to decline.

It would not be right, he argued, to waste hundreds of thousands of staff hours checking out the register of personal visits to every business premises in the country.

Mr Beaumont-Dark, who has led the Parliamentary campaign to save the registry, emphasised the number of companies and organisations that would be affected by its abolition.

Shell had said it was a retrograde step and so had the Birmingham Chamber of Commerce, the banks, debt collecting agencies, solicitors and accountants.

No one he said, was suggesting that the registry should operate on a loss making basis. Fees could be increased accordingly. "I hope that even at this late stage Ministers will go away and think again," he said.

Labour left delays debate

By Elinor Goodman, Lobby Correspondent

LABOUR left-wingers last night agreed to postpone a potentially divisive discussion on the state of the Labour left until after Thursday's Croydon NW by-election.

At their first meeting since last month's deputy leadership contest, which seriously split the left, Tribune Group members last night decided to put off a discussion on the future of the group until next week.

It had been expected that some of Mr Tony Benn's supporters might try to use the meeting to vent their fury on those Tribunites who helped Mr Denis Healey win the election for deputy leader, either by actually voting for him or by abstaining.

Mr Foot's supporters had packed the meeting in a bid to cool any argument which arose, but in the event, Mr Ian Mikardo, the group's chairman moved that discussion should be postponed until members had had time to discuss things among themselves.

In the wake of the deputy leadership contest, there is no doubt that the left is deeply divided on tactics, but the desire for unity among Labour MPs is probably stronger now than at any time since Mr Michael Foot was elected leader.

The group also had a preliminary discussion about the Shadow Cabinet elections.

No decision was taken on whether the group should run a "slate," but unless Mr Benn does something to alienate the mainstream left over the next few weeks, he should be able to count on most of the group's votes if he decides to stand.

The group also decided in principle to run a candidate for the chairmanship of the Parliamentary Labour Party.

It is to decide shortly whether to contest the election for chief whip.

● Mr Benn and 37 other Labour left-wingers, including Mr Neil Kinnock, Mr Eric Heffer, Mr Albert Booth, and Dame Judith Hart, yesterday called on the 21 Social Democratic Party MPs to resign their seats.

The 38 tabled an early day motion calling on the MPs to resign and submit themselves for re-election as candidates for the new party "so that their constituents may determine who they wish to represent them."

The 21, the motion says, "have been guilty of a grave breach of trust to those who voted for them, which will undermine faith in parliamentary democracy and bring thet House into disrepute."

Tory dissidents rally round as Croydon by-election test nears

BY MARGARET VAN HATTEM, LOBBY STAFF

TORY DISSIDENTS, apparently reluctant to rock the boat in the remaining few days before the Croydon by-election, are rallying behind the party's candidate, Mr John Butterfill.

But, while showing support for him, they appear to be making little effort to defend the Government's economic policies, the subject of increasingly open attack, in recent weeks and particularly at last week's party conference.

The ambiguity of their support was underlined yesterday in a statement by Sir Ian Gilmour, who drew attention to the growing split within the party.

All Tories were agreed on policy objectives he said, but there was a debate about methods: "Given the present difficult circumstances it would be astonishing if there were any easy paths to unanimity," he said.

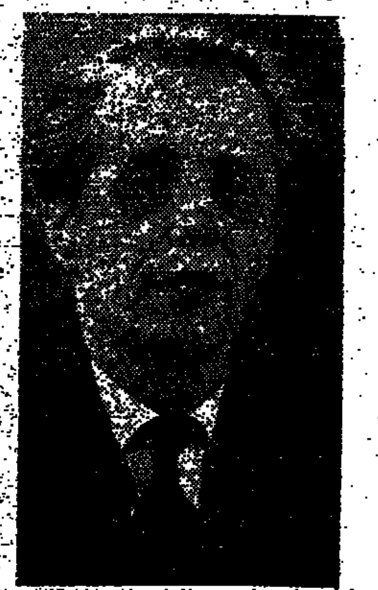
"If the people of Croydon stick to essentials on Thursday they will keep faith with the Tory Party and the Tory tradition," he added cryptically.

Earlier in the day Mr Edward Heath, the most outspoken critic of the Prime Minister's policies, spent several hours canvassing for Mr Butterfill. But he made no speeches, nor did he give any indication of having modified his views.

Major figures from the three main parties are beginning to converge on the constituency, where Thursday's poll represents a crucial test for all of them.

Last night Mr Michael Heseltine, Environment Secretary, addressed a meeting. Later today the 11 backbenchers of the Blue Chip group, whose recent pamphlet Changing Gear was widely interpreted as an oblique attack on economic policy, will appear in the constituency, as will Mr William Whitelaw, the Home Secretary.

The troubles within the Tory Party have been seized on eagerly by campaigners for the othre candidates.



Sir Ian Gilmour

Mr Denis Healey, Labour's deputy leader, yesterday predicted "a major battle in the Conservative Party which will terminate within 6 or 12 months with a major shift in policies, or in leadership, or a general election."

Speaking in support of the Labour candidate, Mr. Stan Boden, he added: "There is no doubt there is very deep alarm in the party — partly because they realise the economy is heading for total catastrophe and because the party is heading for total catastrophe."

This theme is likely to be pursued by the party leader, Mr Michael Foot, and by the Labour Education spokesman, Mr Neil Kinnock, both of whom will be campaigning at Croydon today.

Mr Roy Jenkins, speaking yesterday for the Liberal/SDP candidate, Mr William Pitt, also focused on the split in the Tory Party, saking that a Liberal/SDP victory might "strengthen the fighting spirit of the Conservative wets" and thus help put a brake on Mrs Thatcher during the current parliament.

Radioactive iodine leak 'no danger to public'

BY DAVID FISHLOCK, SCIENCE EDITOR

A LEAK of radio active iodine from the Sellafield (Windscale) factory of British Nuclear Fuels, on October 4 caused no hazard to public health, parliament was assured yesterday.

Milk sampling is continuing at 20 farms in Cumbria, of which 12 are close to the factory, said Mr John Moore, the Minister responsible for nuclear energy.

At no stage did the Ministry of Agriculture, Fisheries and Food consider it necessary to ban the sale of milk from local farms, he said.

Mr Moore said he had asked the Government's nuclear inspectors to examine urgently the reporting procedures for such incidents.

"I intend to satisfy myself that such procedures are adequate, an dthat procedures for informing the local community in the event of such incidents are adequate," he said.

The incident occurred because fuel relatively rich in the radioactive iodine-141 isotope had been fed inadvertently into the Magnox reprocessing plant at Sellafield. Normally, it would be stored at the factory until the radioactivity had decayed to a lower level.

Over the past two weeks more than seven times as much radioactivity has been released to the atmosphere as normally occurs in a year.

But the estimated radiation dose to the group most likely to be harmed—namely, young children drinking local milk—was still no more than a small fraction of the annual limit recommended by the International Commisison on Radiological Protection, Mr Moore told MPs.

Bankbench revolt on duty threatened

Financial Times Reporter

TORY BACKBENCHER Mr Albert McQuarrie, gave advance warning to the Chancellor last night that he would face revolt among Tory MPs if he tried to increase the duty on petrol, drink or tobacco.

The warning came on the eve of the first major consideration by the Cabinet of next year's spending plans.

Earlier this year Mr McQuarrie led the successful revolt of Tory backbenchers against the Government's plans to increase the tax on diesel by 20p a gallon.

Mr McQuarrie said he was worried about reports that Sir Geoffrey Howe might be considering a financial package, before the normal Budget.

Reports have suggested either a possible autumn mini-Budget or a earlier-than-usual Budget in February to help the Treasury reduce the estimated £7,000m public spending overshoot.

In Whitehall last night the reaction was that the Government was unlikely to pursue such a cause.

Whitelaw issues guidelines on use of CS gas in riots

FINANCIAL TIMES REPORTER

GUIDELINES TO govern the police use of CS gas and plastic bullets against rioters have been issued to Britain's top police officers, Mr William Whitelaw, Home Secretary, said yesterday.

The guidelines "take particular account of the lessons to be learned from the use of CS gas in Toxteth," he said in a Commons written reply.

It has been agreed that "Ferret" type cartridges — which caused a number of injuries after being fired by police from 12-bore shotguns — should "not be used again to deal with public disorder," he said.

Under the rules, a public warning of the use of baton rounds or CS gas is to be given "wherever practicable."

The weapon must only be a last resort with the permission of the chief police officer or deputy and under another trained officer's command.

The circumstances in which CS gas is fired must follow the failure, or likely failure, of conventional police methods.

The risk of loss of life, serious injury or widespread destruction of property would also count.

Offstage rumbles unsettle the cast

AS THE COMMONS reassembled yesterday the trained ear could still detect faint reverberations of the strange happenings at last week's Conservative Party conference.

Mr Francis Pym, who had skilfully managed to distance himself from the Prime Minister's policies at Blackpool, was in the firing line to answer questions at Leader of the House.

The mischief-makers were only too eager to make capital of the recent Cabinet changes when the title of Chancellor of the Duchy of Lancaster was taken away from Mr Pym and given to Baroness Young, the new Leader of the Lords and a woman of unswerving loyalty to Thatcherite economic policies.

Among his other jobs Mr Pym is supposed to be the Government's chief communicator. Yesterday he was in a strangely uncommunicative mood.

Mr John Silkin, Labour's shadow Leader of the House, twisted the knife by pointing out that unlike Lady Young, Mr Pym and that other previous Chancellor of the Duchy, Mr Norman St John-Stevas, thought the present economic policies were disastrous.

Yet this scandalous accusation brought no indignant rebuttal from Pym. Instead, he took refuge in a tedious technical explanation about Baroness Young having visited the County Palantine of Lancaster during the Blackpool conference, but only on party business.

From the Tory side of the House Mr Tony Marlow (Northampton North) launched another of his attacks on the Common Market. Airily, Mr Pym observed that no one could deny there were problems in the Community. On the other hand the Government made no secret about the advantages of membership.

During energy questions there was some grumbling from the Tory benches about increases in gas and electricity prices. Then Mr Nigel Lawson, in his new incarnation as Energy Secretary, announced the Government's intention to sell off the oil-producing business of BNOC and the British Gas Corporation.

This, at least, produced a mild tremor of enthusiasm on the Conservative benches where some MPs seemed to see it as a welcome sign of free enterprise virility.

Later in the afternoon, however, we had Mr Anthony Beaumont-Dark, (Con. Selly Oak) announcing that he would vote against the Government's controversial proposal to abolish the Registry of Business Names.

He could not for the life of him understand why the Government was so intent on this scheme when every business organisation was against it.

"Who am I to believe in this difficult world?" he wailed.

It was a cry from the heart that is likely to be heard with increasing frequency from Tory backbenchers during the coming year.

John Hunt

APPOINTMENTS

Finance post at GNK

Mr P. J. Costis will retire from the board of GUEST KEEN AND NETTLEFOLDS and be succeeded as finance director by Mr D. B. Lees, a corporate management director. Mr Lees is appointed to the Board on January 1.

Mr Timothy Royle has relinquished his position as group managing director of HOGG ROBINSON GROUP due to "management differences." The present chairman, Mr Morris Abbott, has reassumed responsibility for the group's management.

★

Mr Paul Lockyear has been appointed deputy managing director of CANADA PERMANENT TRUST COMPANY (UK) with responsibility for the UK company. This appointment follows the resignation of Mr Ron Harrison who has taken up a senior appointment in Canada.

★

Mr Keith Worthington has been appointed managing director of MARGATE and a member of the group management board of the parent GARDSTRONG GROUP.

★

H AND T COMPONENTS has appointed Mr John Jeffery as managing director. Mr Jeffery joins H and T from EMI Industrial Electronics, where he was director of marketing.

★

Mr Jan Scherphuis has joined the boards of GRESHAM LIFE ASSURANCE SOCIETY and AMEV LIFE ASSURANCE. Mr Peter Rosenberg has resigned from both boards but will act as an alternate director to Mr Scherphuis in respect of both companies.

★

ROTAPRINT has appointed Mr M. B. Manzi to the position of managing director, which has been vacant since March 1981. Mr Manzi has been with the company for 18 months and a director since August 1980. Mr D. W. T. Angwin, who has been acting as chief executive and chairman, continues as executive chairman.

★

SOUTHERNPRINT has made the following changes: Mr D. J. Budden, Mr A. C. Hayler and Mr M. W. Stone have been appointed directors in the place of Mr R. E. L. Pullman and Mr H. F. S. Kimber, who have retired.

★

The Earl of Kimberley and Mr David Ross have been appointed to the board of R. J. LEVITT PENSION CONSULTANTS.

★

Mr Max Lander, joint senior partner of Duncan C. Fraser and Co. (Consultant Actuaries) has been elected president of THE NATIONAL ASSOCIATION OF PENSION FUNDS to succeed Mr George Ross, who has retired.

★

Mr Robert Shaw has been appointed production director of SCHERING-PREBBLES.

★

Group Captain R. J. Bannard has been appointed military liaison executive of SMITHS INDUSTRIES AEROSPACE AND DEFENCE SYSTEMS following the retirement of Mr Brian Cape.

★

Mr Patrick Neate has been appointed group marketing director for TWINLOCK in succession to Mr Christopher Seers, who has emigrated to Australia to be the managing director of Twinlock Australia. Mr Leslie Layton has become managing director of CARSON OFFICE FURNITURE, a member of the Twinlock Group.

★

FENNER INTERNATIONAL has appointed Mr J. M. Whisker and Mr D. Cotterill as joint managing directors.

CONTRACTS

£10m work for SLP Group

Orders worth over £10m have been won by the East Anglia based SLP GROUP for the construction of topside facilities for two offshore platforms in the northern sector of the North Sea. The work will be carried out by the group's wholly-owned subsidiary, SLP Fabricating Engineers, at two of its construction yards in Lowestoft. One order is for the construction at Hamilton Yard of two accommodaion modules totalling 1,500 tonnes and one 220-tonne helideck for Conoco's tension leg platform in the Hutton field, with completion in March 1983. Bechtel International is the project services contractor.

The other two orders relate to Total Oil Marine's MCP01 platform in the Frigg field with construction at Belvedere Yard and completion in May 1982. These contracts are for the construction of: a 680-tonne separation module, a 270-tonne manifold skid and process pipework, with Humphreys and Glasgow providing engineering and supervision support to the Total on-yard team; and a 250-tonne accommodation module, with Howard Doris providing engineering services.

★

ENGLISH ELECTRIC VALVE COMPANY, Chelmsford, has been awarded a contract by the Ministry of Defence worth about £6m. The contract covers the supply of travelling wave tubes for airborne electronic equipment.

★

Contracts to total value of £3m have been awarded by Shell UK Exploration and Production to DEGREMONT LAING for the design and supply of four sea water filtration plants. The plants, to be installed on Shell/Esso North Sea oil production platforms will be designed by Degremont Laing and fabricated by Swinney Engineering, Morpeth. Three of the plants, destined for Brent platforms, will be designed for a maximum flow rate of 350,000 barrels per day (bpd). The fourth unit, destined for Dunlin Alpha oil production platform, operated by Shell Expro, will have a maximum flow rate of 180,000 bpd. The filtration plants will replace existing facilities to provide for the future water injection requirements of the Brent and Dunlin Fields.

★

NSU ENGINEERING, Woking, has been awarded a dry ingredient handling contract by H. J. Heinz Company. The contract, worth over £200,000, covers pneumatic conveying, storage and weighing of raw materials and computer control.

BASE LENDING RATES

A.B.N. Bank	15½%	■ Guinness Mahon	15½%
Allied Irish Bank	15½%	■ Hambros Bank	15½%
American Express Bk.	15½%	Heritable & Gen. Trust	15½%
Amro Bank	15½%	■ Hill Samuel	§15½%
Henry Ansbacher	15½%	C. Hoare & Co.	†15½%
■ Arbuthnot Latham	15½%	Hongkong & Shanghai	15½%
Associates Cap. Corp.	16 %	Knowsley & Co. Ltd.	16½%
Banco de Bilbao	15½%	Langris Trust Ltd.	16 %
BCCI	16 %	Lloyds Bank	15½%
Bank of Cyprus	15½%	Mallinhall Limited	15½%
Bank of N.S.W.	16 %	Edward Manson & Co.	17 %
Banque Belge Ltd.	16 %	Midland Bank	15½%
Banque du Rhone et de la Tamise S.A.	16 %	■ Samuel Montagu	15½%
Barclays Bank	15½%	■ Morgan Grenfell	16 %
Beneficial Trust Ltd.	17 %	National Westminster	15½%
Bremar Holdings Ltd.	17 %	Norwich General Trust	15½%
Bristol & West Invest.	17 %	P. S. Refson & Co.	15½%
Brit. Bank of Mid. East	15½%	Slavenburg's Bank	15½%
■ Brown Shipley	16 %	E. S. Schwab	17 %
Canada Perm't Trust	16 %	Standard Chartered	‖15½%
Cayzer Ltd.	16 %	Trade Dev. Bank	15½%
Cedar Holdings	16 %	Trustee Savings Bank	15 %
■ Charterhouse Japhet	16 %	TCB Ltd.	15½%
Choulartons	16 %	United Bank of Kuwait	15½%
Citibank Savings	¶15 %	Whiteaway Laidlaw	16½%
Clydesdale Bank	15½%	Williams & Glyn's	15½%
C. E. Coates	16 %	Wintrust Secs. Ltd.	15½%
Consolidated Credits	16 %	Yorkshire Bank	15½%
Co-operative Bank	*15½%		
Corinthian Secs.	15½%		
The Cyprus Popular Bk.	15½%		
Duncan Lawrie	15½%		
Eagil Trust	15½%		
E. T. Trust Limited	16 %		
First Nat. Fin. Corp.	17 %		
First Nat. Secs. Ltd.	17 %		
Robert Fraser	16 %		
Antony Gibbs	15½%		
Grindlays Bank	‡15½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 14%. 1-month 14.25%. Short term £8,000/12 months 16.60%.
† 7-day deposits on sums of £10,000 and under 13½%, up to £50,000 14% and over £50,000 14½%.
‡ Call deposits £1,000 and over 13½%.
§ Demand deposits 14%.
‖ 21-day deposits over £1,000 15%.
¶ Mortgage base rate.

TECHNOLOGY

EDITED BY ALAN CANE

Radio tags for people and objects

BY MAX COMMANDER

AFTER TWO years of research and development an Essex company has started manufacturing what it believes to be one of the most advanced systems yet for the remote automatic identification of people and objects.

TAG Radionics of Rochford, Essex, a company employing about 50 people has, traditionally, made transponders for anti-shoplifting surveillance. From experience gained in this field it has developed COTAG, an automatic sensing system which can identify objects up to three metres from a standard interrogator.

(A transponder is a transmitter-receiver which transmits signals automatically when the correct interrogation is received. A radar beacon mounted on an aircraft or missile is a typical example. This comprises a receiver tuned to the given frequency and the transmitter which radiates the signal at higher intensity than that of the received signal. The latter may be coded for identification.)

TAG Radionics, backed in its research by the NRDC, has thought up "almost limitless" uses for COTAG and has some five systems out on test in the field.

The latter is particularly apt because one of the applications is on an experimental farm in Shropshire. A herd of cows has been tagged. As each beast enters its milking pen it is immediately identified; information is fed into a computer which monitors the milk yield, food intake and weight. Intake can then be related to optimum milk yield, thus avoiding the waste of over-feeding.

One important suggestion could be to aid safety in the mining industry. The company believes that the system could provide monitoring for traffic routing and loading, and by presence sensing of workers it would be possible to know immediately the location of each worker in the event of an accident.

The system could, in such an event, immediately switch off machinery which might pose an additional threat to the safety of the workers.

Transport offers another obvious use with buses monitored at as many points as needed, avoiding the necessity for radio contact. The system can, similarly, be used for trains, or to over-ride traffic lights to speed emergency vehicles.

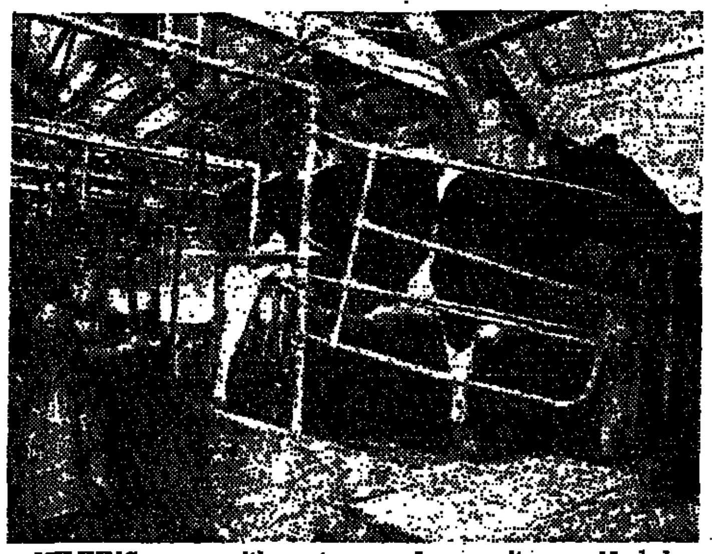
Production control, perhaps, offers the greatest scope. A car production line, for example, with each component tagged and, therefore, instantly identified can obviate mis-routing and ensure that the item arrives on the line in the right place at the right time.

The COTAG system, which can be linked to a computer to provide automatic information entry, consists of any number of transponders, a unit to programme or re-programme each coded transponder, an aerial scanning system and a terminal. The latter includes the interrogation unit, generating a signal and collecting the response for processing and display; a polling unit (intelligent or unintelligent) for switching between controlled zones, and microcontroller to give the terminal an intelligence capability as required.

Each COTAG has user accessible capacity of 32 bits to provide identification, but for highly specialised uses extra capacity can be arranged to provide exclusive coding. This will ensure that COTAGS cannot be duplicated by the accidental arrival of a COTAG from an adjoining or other system.

TAG says that the life of the transponder is between five and eight years. Weight is about 35 grammes and its code programmeeble up to 32 bits (eight hexadecimal digits) in 8 bit Bytes. Status Digits Leading Digits '0' or '1'. 0 is not compatible, 1 is compatible to a presence sensing system.

TAG Radionics is at Swains Industrial Estate, Ashingdon Road, Rochford, Essex. 0702 548908.



MILKING cows with a transponder monitor could help farmers with their cattle feed bill.

Direct debit at the supermarket

CUSTOMERS OF a supermarket in Des Moines, Iowa are now able to pay for purchases by having their bank accounts directly debited.

This pilot programme in electronic funds transfer (EFS) has been installed by NCR and employs the Iowa Transfer System, a state association of more than 100 banks and financial institutions

Purchases are being dealt with by NCR 1255 point-of-sale terminals; the units have been equipped with what is called a customer convenience module which includes a magnetic stripe reader and a small keypad.

Identification

A customer choosing to pay electronically inserts a plastic debit card issued by his bank (*within-state*) into the card reader. A magnetic stripe on the card contains the necessary personal account information. The customer then merely keys in his personal identification number and waits for about 15 seconds.

The collected data is transmitted from the terminal through the supermarket's computer to the Iowa Transfer System, which has computer access to individual accounts throughout the state. The ITS's NCR mainframe computer transfers the funds from the customer's account to the supermarket's account.

Finally, the ITS computer tells the point-of-sale terminal that the transfer has been completed and a receipt is printed for the customer and the store records.

The customer does not have to pay by this method: the traditional cheque or cash can be used if desired.

But, says NCR, the electronic method is offering increasing financial advantage as the cost of cheque processing creeps up and as banks are charging more and more of it back to the customer.

NCR has other EFT developments under way in the U.S., although the one in Iowa is the first to become operational. The corporation says: "EFT may become commonplace in three years."

GEOFFREY CHARLISH

Cartography automation from the Swiss

A DATA processing system offering a large degree of automation in cartography has been developed by Wild Heerbrugg AG, of 9435 Heerbrugg SG/Switzerland.

The "Geomap" inter-active graphics and surveying programme handles fully-automatic measurement, recording and data-transfer input via tachymat or semi-automatic acquisition via distomat and recording unit. Information from conventional surveying instruments and field books can be entered by keyboard, while data from other maps and plans may be fed in via a digitising table.

Editing

Processing takes places through a Tektronix 4054 desktop computer, a floppy-disc unit and three software packages. The final package controls interactive graphics, a plan being created on the screen and corrections and editing carried out. Lines and symbols can be generated as required.

The finished plot is produced by a Wild Aviotab TA or TA2 table, which can be connected on-line to the computer or operated off-line. Information such as raw data, cleaned data, control information and final co-ordinate lists can be printed out at any time by the line printer, and a copy of the screen contents produced by an optional hard-copy unit.

Metal hardening techniques

NEWS COMES from Australia and from the U.S. of ways to harden metal surfaces where there are restraints on the application of general heat.

The CSIRO Division of Manufacturing Technology of Fitzroy, Victoria 3065 has developed an arc-hardening process that requires only standard low-cost arc-welding equipment — as opposed to the costly laser or electron beam equipment that might otherwise be employed.

A standard tungsten inert gas (TIG) torch is used. The arc current passes between the tungsten electrode, which is shielded by an inert gas, and the workpiece.

Arc length controls the width and arc current the depth of the region that will be hardened. Dimensional changes due to stress are minimised (only the surface is heated) and the process can be applied to finely finished surfaces. No quenching is needed and the process is very power efficient.

Inventor, Dr Graeme Ogilvie, believes that a simple hardening rig could be readily integrated into a production line.

At the Sandia National Laboratories, Albuquerque, New Mexico, a team has been working on the implantation of titanium and carbon ions into iron and stainless steel substrates, producing amorphous alloy surfaces that are resistant to wear.

The surface effect in this case is not strictly hardening, but is a modification of the 500 angstroms or so nearest to the surface to give an alloy containing between 5 and 20 per cent of the implanted material.

Some steels treated in this way exhibit reductions in wear of up to 95 per cent. Friction is reduced and in addition there is some evidence that the surface alloy may be resistant to corrosion.

But at the present stage of research, due to the use of low implantation rates, the process is slow—a square centimetre takes three hours.

GEOFFREY CHARLISH

Wall insulation uses blown mineral fibre

CAPE INSULATION says that its new system of cavity wall insulation which uses blown mineral fibre is the first of its kind in this country. It is composed of specially produced virgin fibre, requires much smaller injection holes than conventional systems and is said to be speedy to instal.

Cape claims 15 years experience in the development and installation of foam cavity wall insulation and now offers customers the choice of fibre or foam insulation.

Both are injected through small holes drilled in the outer leaf of a cavity wall or—in the case of a new building—through the inner leaf before commencing plastering.

The product is called Blofil Plus and is a rock fibre produced in the form of a loose wool. The fibres are specially treated to increase water repellancy.

It is being produced at a new £3m plant at Queensferry, Clywd, in tandem with a customer-designed, high-speed blowing machine which enables consistent density of fill to be achieved.

Cape claims that the new machine enables insulation of a house in as little as three to four hours—roughly half the time usually required to complete the work using other types of fibrous insulation. The exercise is aided by the fact that the company's technicians drill installation holes of only 32 mm in diameter (slightly bigger than a 50 pence piece), compared with the more conventional 60 mm for other types of non-foam insulation.

Following installation, the holes are made good with mortar coloured to match the original and, because the holes are so small, there is a barely noticeable difference in finished appearance.

More from the company at Cape House, Exchange Road, Watford (0923 33677).

Night Watchman aid for cars without garages

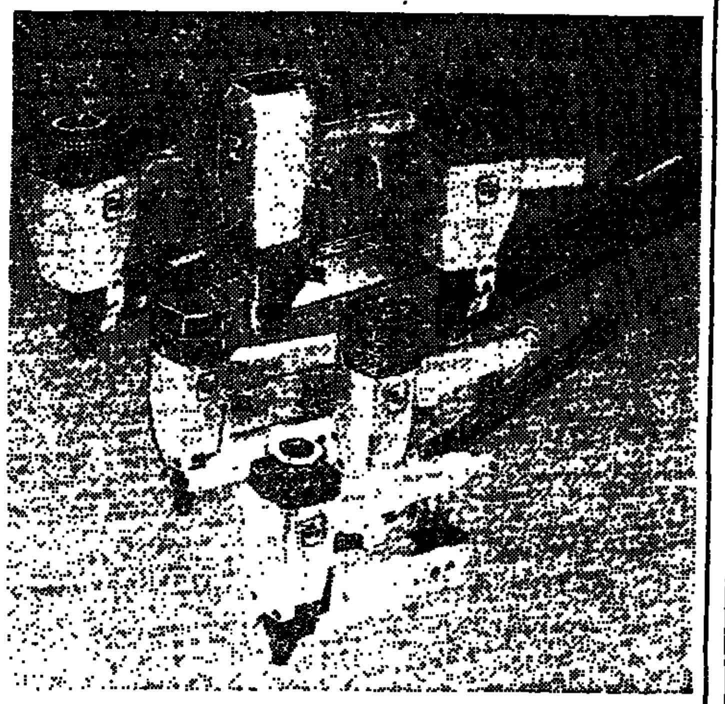
MOTORISTS without garages might be interested in a new British product—the Night Watchman. This electronic device can be wired to the car's lighting system, fixed under the rear bumper and will turn the sidelights on and off according to passing traffic.

The device is able to detect passing vehicles with dipped headlights at about 10 to 12 spaced car lengths. It registers the ambient light—the increasing light of another vehicle—and then activates the sidelights as the vehicle approaches.

As the vehicle passes the parked car the decline in light level causes the parking lights to be switched off instantly.

Trunkgate of 14 Market Place, Whittlesey, Peterborough (0733 204491) claims that the device will work irrespective of light changes caused by weather, shop or street lights. It costs £13 and will be on display at the Autopartac exhibition at the Cunard Hotel, London from October 24-28.

MAX COMMANDER



Improved selection of nailers

BIF Industrial Products, Gatehouse Road, Aylesbury, Bucks, has improved its range of medium and heavy duty nailers and tackers, a selection of which is shown in the picture. More from the company or its Press Office at 01-636 3686.

NCR launches high-density chip

NCR IS to market a 4k non-volatile random access memory chip, the 4485.

The device is claimed to be the highest density NVRAM on the market and has 512 x 8 bit organisation. The announcement is in keeping with NCR's recent decision to offer non-volatile memories and semi-custom logic circuits externally.

The devices contain duplicate planes of static RAM memory cells and non-volatile storage cells. Data stored in the static cells is transferred to the other plane and thus retained whenever power to the system is interrupted. A single five-volt supply is required and the worstcase power dissipation is 600 milliwatts. More on 01-723 7070.

TELEVISION

BBC 1

6.40-7.55 am Open University (Ultra High Frequency only). 9.05 For Schools, Colleges. 12.30 pm Noon After Noon. 12.57 Regional News for England (except London) London and SE only: Financial Report, and News Headlines. 1.00 Pebble Mill at One. 1.45 Over the Moon. 2.00 You and Me. 2.14-3.00 For Schools, Colleges. 3.25 O dro i dro. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Mighty Mouse. 4.25 Jackanory. 4.40 Play Away. 5.05 John Craven's Newsround. 5.10 Screen Test.

5.40 News.
6.00 Nationwide (London and South East only).
6.25 Nationwide.
6.50 Barbara's World of Horses and Ponies.
7.15 Angels.
7.40 The Rockford Files.
8.30 Yes Minister.
9.00 News.
9.25 Play for Today.
10.45 Motor Fair.
11.30 Tenko.
11.43 News Headlines.
†11.45 Phil Silvers as Sergeant Bilko.

BBC1 VARIATIONS

Cymru/Wales—9.10-9.35 am 1 Ysgolion: Daearyddiaeth. 12.57-1.00 pm News of Wales. 5.10-5.40 Capten Mikulo. 6.00-6.25 Wales Today. 6.50 Heddiw. 7.15-7.40 Angels. 12.10 am News and Weather for Wales.

Scotland—11.17-11.37 am For Schools. 12.55-1.00 pm The Scottish News. 6.00-6.25 Reporting Scotland. 12.10 am News and Weather for Scotland.

Chris Dunkley: Tonight's Choice

ITV has an extraordinarily strong night. Episode 2 of **Brideshead Revisited**, a truly superb drama serial, finds Charles Ryder discovering more about the character of his new friend Sebastian. With the Marchmains' estate to themselves during high summer they begin to educate their palates on samples from the cellar. Years of conditioning as a viewer make this idyllic interlude seem at first over-leisurely, but you slowly realise it is the very leisureliness which enables this serial to develop such a uniquely rich texture. The approach pays off handsomely when they visit Venice.

Rich World Poor World in its third and last programme looks ahead to the world summit conference on survival which starts in Mexico on Thursday. Having established with unambiguous clarity the nature of the appalling disparities between the rich north and the poor south, this series tries to answer the question: are we really heading for global disaster?

Finally, at midnight in London and various times (even various days) elsewhere on the network, comes the second part of **Going Out**. This drama serial about school leavers looked at first merely like emulation of the BBC's comprehensive school drama "Grange Hill." But where the BBC work smacked of "sociological" motivation Going Out feels like the real McCoy: often nasty and yobbish but virile and human too.

BBC 2

11.00 am Play School.
5.40 pm Open University.
6.55 The World Chess Championships.
7.20 News Summary.
7.25 The Booker Prize, "live" from the Stationers' Hall, London.
7.50 Six More English Towns.
8.30 Russell Harty.
9.00 Burt Lancaster in "Conversation Piece."
10.55-11.45 Newsnight.

LONDON

9.35 am Schools Programmes. 12.00 Rod, Jane and Freddy. 12.10 pm Pipkins. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Armchair Thriller. 2.00 After Noon Plus with Mavis Nicholson and Glyn Seaborn Jones. 2.45 Heartland. 3.45 Cabbages and Kings. 4.15 Tweety Pie. 4.20 Get It Together. 4.45 Vice Versa. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames News with Andrew Gardner and Rita Carter.
6.20 Help! with Viv Taylor Gee.
6.30 Crossroads.
6.55 Reporting London presented by Denis Tuohy (topical magazine programme covering the issues that matter to the 14m people who live in London and the South East).
7.30 World Freestyle Dancin' Championship 1981 (UK Final).
8.30 Benny Hill with Henry McGee, Patricia Hayes, Jack Wright, Diana Darvey, Roger Finch and Jenny Lee Wright.
9.00 Brideshead Revisited.
10.00 News.
10.30 Rich World, Poor World.
11.30 Talking Bikes.
12.00 Going Out.
12.25 am Close: Sit Up and Listen with David Steel.
† Indicates programme in black and white

All IBA Regions as London except at the following times:

ANGLIA

12.30 pm Gardening Today. 1.20 Anglia News. 6.00 About Anglia. 7.00 Bygones. 11.30 Wheels. 12.15 am Anglia Late News. 12.20 Your Music at Night.

ATV

12.30 pm Gardening Today. 1.20 ATV News. 5.15 Mork and Mindy. 6.00 ATV News. 6.05 Crossroads. 6.30 ATV Today. 7.00 Emmerdale Farm. 11.30 Wheels at Motorfair, with Tony Bastable, Pam Rhodes and Chris Goffey. 12.15 am ATV News. 12.20 Something Different.

BORDER

1.20 pm Border News. 5.15 Bless Me, Father. 6.00 Lookaround Tuesday. 7.00 Emmerdale Farm. 11.30 Border News Summary.

GRAMPIAN

9.30 am First Thing. 12.30 pm Gardening Today. 1.20 North News. 6.00 North Tonight. 7.00 Diff'rent Strokes. 11.30 Wheels at Motorfair. 12.15 am North Headlines.

GRANADA

1.20 pm Granada Reports. 3.45 Play It Again. 4.45 Vice Versa. 5.15 Diff'rent Strokes. 6.00 Granada Reports. 6.25 This Is Your Right. 7.00 Emmerdale Farm. 11.30 The Jazz Series with the Ronnie Scott Quartet. 12.00 Wheels.

HTV

12.30 pm Gardening Today. 1.20 HTV News. 5.15 Ask Oscar! 5.20 Crossroads. 6.00 Report West. 6.30 Diff'rent Strokes. 7.00 Emmerdale Farm. 10.28 HTV News. 11.30 Wheels at Motorfair.

HTV Cymru/Wales—As HTV West except: 9.35-9.50 am Gymru. 10.15-10.30 Y Byd A'i Bethau. 11.39-11.54 About Wales. 12.00-12.10 pm Cwadi Cwac A'i Ffrindiau. 4.15-4.45 Camigam. 5.15-5.20 Bugs Bunny. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.30 Cylathrebwyr. 11.00 World in Action. 11.30-12.00 Benson.

SCOTTISH

12.30 pm Gardening Today. 1.20 News and Road and Weather. 5.15 Teatime Tales. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Job Spot. 6.30 What's Your Problem? 7.00 Take the High Road. 11.30 Wheels at Motofair. 12.15 am Late Call.

SOUTHERN

1.20 pm Southern News. 5.15 Dick Tracy cartoon. 5.20 Crossroads. 6.00 Day By Day. 7.00 Emmerdale Farm. 11.30 A New Kind of Family.

TYNE TEES

9.25 am The Good Word. 9.30 North-East News. 1.20 pm North-East News and Lookaround. 5.15 Bless Me, Father. 6.00 North-East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 North-East News. 11.30 Wheels at Motofair. 12.15 am The Week of Prayer for World Peace.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 12.30 Gardening Today. 1.20 Westward News Headlines. 5.15 Emmerdale Farm. 6.00 Westward Diary. 7.00 Survival. 10.32 Westward Late News. 11.30 Wheels at the Motofair. 12.15 am Faith For Life. 12.20 West Country Weather, Shipping Forecast.

YORKSHIRE

12.30 pm Cabbages and Kings. 1.20 Calendar News. 3.45 Calendar at Your Service. 5.15 How's Your Father. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 11.30 Wheels at Motofair.

RADIO

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.30 Dave Lee Travis. 2.00 pm Paul Burnett. 3.30 Steve Wright. 5.00 Peter Powell. 7.00 Talkabout. 8.00 David Jensen. 10.00-12.00 John Peel (S).

RADIO 2

5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 John Dunn (S). 2.00 pm Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News, Sport. 6.00 David Symonds with Much More Music (S). 8.00 Moments Musical (S). 9.00 Listen to the Band (S). 9.30 The Organist Entertains (S). 9.55 Sports Desk. 10.00 Tony Christie at the Variety Club. 11.00 Brian Matthew with Round Midnight. 1.00 am Truckers' Hour (S). 2.00-5.00 Two's Company (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composer: Rachmaninov (S). 10.00 Monteverdi and His Contemporaries (S). 11.50 Haydn (S). 12.15 pm Berlin Radio Symphony Orchestra Concert: part 1 (S). 1.00 News. 1.05 Six Continents. 1.25 Concert: part 2 (S). 2.00 Schumann and Brahms viola and piano recital (S). 2.40 Youth Orchestras of the World (S). 4.25 Jazz Today (S). 4.55 News. 5.00 Mainly For Pleasure (S). 7.00 Beethoven (S). 7.30 "Memoirs Of An Amorous Woman," by Ihara Saikaku (S). 8.15 College Concerts 1981-82, part 1 (S). 9.00 Words, Words, Words (S). 9.15 College Concert, part 2 (S). 9.55 Soler (S). 10.10 British Travellers in 18th-century Spain. 10.30 Jazz in Britain (S). 11.00 News. 11.05-11.15 Villa-Lobos (S).

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.02 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Thirty-minute Theatre. 11.35 Wildlife. 12.00 News. 12.02 pm You and Yours. 12.27 Lord Peter Wimsey. 12.55 Weather; programme news. 1.00 The World at One. 1.35 Party Political Broadcast by the Labour Party. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Hatter's Castle by A. J. Cronin (S). 4.00 Places I've Lived, People I've Known. 4.15 Will Adams, English Samurai. 4.45 Story Time. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News, including Financial Report. 6.30 Top of the Form. 7.00 News. 7.05 The Archers. 7.20 Medicine Now. 7.50 Prisoner of War. 8.25 No Minister. 9.05 In Touch. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Joke by Joke . . . by Lawrence Durrell (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

French vintage prospects

WINE

BY EDMUND PENNING-ROWSELL

THE PERILS of forecasting the quality of the Bordeaux vintage were never clearer than for the 1981 crop.

In July last year, in the middle of that miserable summer, an American journalist forecast that the 1980 vintage would be catastrophic. It certainly did not turn out very well three months later, but very recently I tasted some obviously palatable wines, as I hope to report later.

Yet, according to more than one Bordeaux merchant, this premature prediction has severely influenced the American market. Fortunately, perhaps, British writers on wine carry less authority.

This year the soothsayers on this side of the Atlantic went the other way, and voices were heard in August to predict that 1981 would be "another 1961," while a distinguished cellar-master not a thousand kilometres from the Medoc was seen on TV to predict a very great vintage. Alas, it seems unlikely.

The cause of this optimism was the remarkable change in the weather from the end of July onwards. After a pretty dismal start but with the significant flowering of the vine developing appropriately in mid-June, the later summer arrived in time to alter the poor perspective. It was so hot in August and the first half of September, and there was so little rain, that the grapes were lacking in juice and the skins were thick and tough.

This meant a small, but possibly very good vintage, officially predicted by the French Ministry of Agriculture on September 1, as 3.9m hectolitres (hl), compared with 3.65m hl in 1980 and 6.2m hl in the record year of 1979; but, owing to the very small white Bordeaux crop, gathered earlier than the red, the Bordeaux trade organisation has brought down the total crop forecast to 3.7m hl.

Indeed there are fears of a shortage of dry white bordeaux at a time when world demand for white wines is booming. The quality is reported good, especially for Sauternes.

The red wine vintage began generally in good, sunny, weather conditions, on Monday September 28, but on the October 1 wet weather set in, and steady, sometimes heavy, rain set in until mid-day on the 3rd (Saturday). Those who had engaged their pickers to work over the ensuing fine weekend benefited, but others had to wait until the following Monday. The weather improved thereafter, but the rain had in some cases reduced the alcoholic strength, already not high, particularly in the Médoc where the Cabernet-Sauvignon is paramount.

The deficiency can be made up by the permitted addition of sugar to the fermenting vats, but the end-result is not quite the same, and although it rained again at the end of the week, those delaying picking in the hope of more maturity, and higher strength took an extra risk—including Lafite who only started gathering their grapes on October 5 and expected to finish on the 16th.

However, the anti-rot spraying that has been done in the past few years by most of the larger estates has been most successful, and the grape loads that I saw coming in from many estates were surprisingly healthy-looking and sweet-tasting.

The prospects for the 1981 claret vintage are, therefore, good but not great; and the gap between the big estates and the less prosperous petits-châteaux may be greater than in a year without weather difficulties at the harvest time.

It is to be hoped that there will be careful selection of the vats, and that not too much 1980 is poured into the 1981, which will certainly turn out the better year. Bordeaux did not want a big vintage, but, rather, a moderate-sized one of such quality that it sold itself and revived the morale of a somewhat depressed trade.

What is as certain as can be forecast now, is that the prices of the 1981 vintage will be markedly higher than for the 1980s; which is reasonable enough, as they have stayed the same for three years, with at least 30 per cent inflation in this period. Current talks is of a rise of 25 per cent.

Claret drinkers here who have not bought their 1978s would be well advised to do so now, for on the Bordeaux market the popular growths are double their opening prices; and the 1979s are a good 20 per cent higher.

Bordeaux has not been alone in having a disappointing vintage, and Champagne has suffered worst of all. Early frosts had ruled out a big crop, but until the eve of the picking there had been hopes of 140m bottles (compared with 110m last year and 220m in 1979, and a predicted sales total this year of 150-160m bottles).

In fact the total looks like 90m to 100m bottles, and with none of the surplus still Coteaux Champenois that eventually added about 50m bottles to 1978's miserable 78m. The reduction in the fixed price of top quality grapes from FFr 23.50 a kilo to FFr 20 is not much help, as last year's figure included a FFr 10 bonus on account of the small crop; and this year it is only FFr 3 on a smaller one still. So champagne prices must rise again, and the smaller firms will be particularly hit.

There is not much better news from Burgundy, where the crop is small, particularly for the much-needed red wines; and the quality is distinctly variable. The white wines are said to be better.

Beaujolais, after several large, even excessive, vintages, has had a smaller one this year: a good average quality, but certainly markedly dearer, not least for the Beaujolais Nouveau that will be with us in less than a month's time.

The Rhône, too, has suffered a reduction in output after at least two prolific years; and the Loire crop, picked later than further south, is small and probably variable in quality, though that is less of a problem in a region where the wines are mostly for early drinking. It is in the districts whose produce calls for time to develop and mature that wines of good strength, body, fruitiness and some preserving tannin are needed.

To end on a more cheerful note, Alsace alone appears to have had a good average crop of generally sound quality. Sheltered by the Vosges, they evidently missed the bad weather that has afflicted the rest of wine-growing France. Alsace, too, has a reputation for moderating its price increases, so in the coming year its wines generaly under-rated here, may prove increasingly attractive purchases.

Improved Music Lover set for success

RACING

BY DOMINIC WIGAN

PETER WALWYN, whose Cesarewitch winner Holsbury was widely rumoured to be a non-runner for the big handicap as racing got under way at Newmarket on Saturday, can continue his run at Kempton today.

There his once-raced Gay Fandango colt Music Lover should set backers off on the right foot in the Heather Maid Stakes, won a year ago by a 33-1 chance in Little Starchy.

Music Lover is a good-looking 7,000 guineas yearling purchase. In spite of being almost friendless in the market for Goodwood's Selsey Stakes at the end of July Music Lover nearly succeeded in belying his 25-1 price-tag, finishing a close fourth behind Torrey, Mou-Ferni-Tychi and Parthia's Picture.

An hour after the Heather Maid Stakes, those powerful Lambourn and Sussex stables will again be in opposition when Super Service and More Oats line up for the Coombe Handicap. Both are expected to make their presence felt but I suspect the soft-ground-loving Crested Lark is the one to be on.

Mark Smyly's Rangy, ex-Irish son of Crowned Prince, has been facing difficult tasks since failing by the minimum distance to give a pound to Rodeo in the Great Yorkshire Handicap on the Gimcrack afternoon.

In spite of the presence of the Aga Khan's short-priced Shileen at Hamilton, Walter Swinburn has opted for Leicester. There that filly's stable companion, Hill's Guard, will not need to be anything out of the ordinary to land the opening division of the Soar Maiden.

Later in the afternoon Take A Card can complete a three-timer for Stoute and a double for Swinburn in the second division of the Soar race. Take A Card, a chestnut son of Tachypous, represents Beech Hurst.

KEMPTON
1.30—Music Lover**
2.30—Crested Lark***
3.30—St Pedro
4.00—Rouault

HAMILTON
2.15—Bernard Sunley
2.45—Shileen

LEICESTER
2.15—Hill's Guard
4.45—Take A Card*

Glenn Copus

Sears Holdings has a vast network of outlets. **William Cochrane** reveals how these assets are managed

Property: the key to a retailer's destiny

"IF IT were all one business we would have problems," says Geoffrey Maitland Smith, chief executive of Sears Holdings. "As we have a multiplicity, there are distinct advantages."

In a group which as much as any other has demonstrated the advantages of size such a remark is unusual. But in its use of property Sears' diversity of activity gives it considerable flexibility compared with, say, a specialist retailer.

Leonard Sainer, chairman of Sears, emphasises this size and diversity by pointing out that the group comes into contact with the public in more places than any other group in the country: the National Westminster Bank comes second with around 3,200 branches, agencies and sub-branches against some 3,350 outlets for Sears itself.

Sears includes a batch of household names like Freeman Hardy & Willis and Saxone in footwear. Selfridges and Lewis's in department stores. William Hill in betting shops. Mappin and Webb in jewellery and SMT in car sales—all adding up to a property portfolio which is massive by any standards.

And this has led to the development of a highly defined property management system in a group variously described as "staid," "an industrial holding company" (its own words) and a "much misunderstood retail conglomerate."

Sears' properties add up to a portfolio (as outlined in the accompanying article) getting close to the total property assets of MEPC—Britain's second biggest property investment company with total property assets of £711m against £1.67bn for Land Securities, far and away the leader in the sector.

The group was founded in its present form by the late Sir Charles Clore, one of the most prominent property developers and retailers of the immediate post-war period. So it is not surprising that his successors have distinct ideas about the management of property, and retail property in particular.

Economic rents

Maitland Smith says that, first and foremost, Sears makes quinquennial valuations and uses these to set current economic rents. These are applied to every single unit occupied, or owned by the group. "The retail managers sometimes scream blue murder," he says, "but they are more comfortable in the middle of a quinquennium; Sears does not put rents up every year as some head office managements do."

The group has a central property staff of exactly 100 people, including surveyors and architects dealing with site acquisitions, renewal of leases, the review and collection of rents—"from who's moving where to stopping the rain coming in," as Maitland Smith puts it.

On the question of size versus flexibility, Sainer and Maitland Smith agree that change of retail use within the group depends on both financial and locational fit. "Prospective group tenants have to put in a budget: if that fits they get it — but only if they can afford it."

Maitland Smith illustrates Sears's thinking with the example of Olympus Sportswear, acquired some three years ago.

When it was taken over, Olympus had 11 units. It needed to grow very quickly. "Until you are a certain size," says Maitland Smith, "you cannot afford your overhead"—by which he means items like central distribution, transport, the administrative overhead, accounting and payroll—"and of course you get better margins in the process." Discounts from suppliers are just one item.

As it happened, the retailing arm of the British Shoe subsidiary had space to spare at the time. Olympus took 25 units very quickly; the boost "helped enormously," and it is now up to a total of 56.

Owning its own property means a lot to Sears. Freeholds accounted for more than three-quarters of the retail properties it had on its books at the end of last year. Sainer damns with faint praise the concept of sale and leaseback, employed by some retailers to fund their spending.

Sale and leaseback may seem to be useful if you need money, he says, but as policy, Sears does not make use of it. "It is shortsighted," says Sainer. "You cannot be the master of your own destiny."

Sears reckons that more than a fifth of group profits would be eroded by economic rentals if the group did not have a high degree of owner-occupation. In particular, the group would have paid out £23m more in rents in footwear alone—this side, retailing and manufacturing, brought in £60.8m or 63 per cent of group trading profits last year. In short, if it did not own its properties, says Sears, more than a third of group profits would go in rents.

SEARS' UK RETAIL OUTLETS (including concessions)	
Footwear	2,200
Betting	800
Department stores	13
Miss Selfridge	58
Wallis Fashion	63
Jewellery	99
Olympus Sportswear	56
Motor retailing	35
Cafes	25
	3,349*

**Concessions amount to about 300 of the total. Overseas, Sears has just over 700 units, including 130 in the Netherlands, 550 in the U.S. and other outlets in Ireland, France and West Germany.*

On acquisitions and in the business of property investment as distinct from retailing, Sears is less dogmatic. In the current financial year it has paid out $100m for Butler Shoe in the U.S. Butler had some 500 outlets when it was acquired (it has nearer 550 today) and these are mostly short leaseholds.

Butler's net asset value was some $55m. However, says Maitland Smith, with its units spread across prime malls throughout the U.S. the underlying property value is much greater: "even with five-year reviews, the key money could be very high."

This acquisition ties in with the central thinking of the group, that in the long term interest of the shareholder Sears wants more involvement with the dollar and the Deutsche mark. Last year it paid £1m for a redevelopment prospect in the Netherlands; but its disposals in that country were about £12m, reflecting a widely held view that property investment there is off the boil.

Clearly, the group is not above disposing of what it does not want, or cannot use. Another of last year's acquisitions was the Wallis Fashion Group for £3½m. Wallis owned about £8m worth of property, gross of related debt. Sears has already recouped £3m or so on the sale of surplus properties and Wallis is "well up on budget."

As buyers of separate sites, says Sainer, the group occasionally has to buy two units to get the one it wants. Sometimes, Sears has to be a tenant to get the unit it wants, or a number of units in a new shopping precinct.

As tenants, he says, "landlords like our covenant." What he means is that Sears is not likely to go bust and that the group will attract other tenants into a development. As a landlord itself, letting policy is to let everything at a fair rent on five year reviews. "We are open minded about tenants," says Maitland Smith, "but we tend to keep only triple A properties if we are not trading in them ourselves."

Pessimistic

Sainer's pragmatism shows through again on disputed concepts like out-of-town shopping and rents based on turnover. "Brent Cross (the modern, multi-retail development off London's North Circular Road) has been a great success; but you need an area of two car homes. . . the out-of-town idea would not necessarily apply in industrial areas."

In general, he says High Streets are still the focal point in the UK and the Netherlands, "and they have improved a lot." This judgment does not necessarily apply to Oxford Street in London's West End, where Selfridges is the flagship store, but he is not pessimistic about its prospects.

As a user, Sears is somewhat in favour of rents related to turnover, "if the rent relates to what you are doing; the concept has not taken on too well in this country, because the institutional property owner wants a fixed rent and the property developer wants a guaranteed minimum."

The Americans, says Sainer, have a different concept of turnover rents. Sometimes there is a minimum, frequently not, "but there is certainly more financial sophistication in the way turnover rents are applied in the U.S."

U.S. stores, he says, bear an average turnover rent for the shoe trade of about 6 per cent. Where there is a minimum rent, it is a modest one; "the concept there is an integral part of the marketing."

There are several retailers Sears would follow into a new development, according to Maitland Smith. If the "bell cows" were Marks and Spencer, Littlewoods, British Home Stores, Boots, John Lewis or Debenhams, Sears would then know exactly how many units it would want and, just as exactly, where they should be sited.

However, Sears's respect for other big UK retailing operations does not have an acquisitive ring about it. In some ways, its takeover ambitions in this country are restricted by its sheer size.

In others, its own conception of common sense prevails. "We'd love to buy Harrods if it came on to the market," says Maitland Smith. But Sears would not want the House of Fraser in toto, if Lonrho were to be turned away by the Monopolies Commission.

"The departmental store business as a whole," he says, "is capital intensive, labour intensive and risky." Where its own investments in this area, Selfridges and Lewis's, are involved, "we have the good fortune of sitting on 13 battleships in terms of construction."

The subtleties of valuation

The Sears group revalues its properties every five years — partly because it has certain trust deed requirements on some of its properties which makes this necessary, explains Douglas Ward, a director of Sears and group company secretary.

The last valuation dates were December 1977 and January 1978. On that basis, the group's properties stood in the January 1981 balance sheet at £375m. However, at that date Sears prepared its first set of current cost accounts, which put the value of the group's land and buildings at £557m.

It is worth noting here that Sears does not write up short leases in the balance sheet and that these, at 1977-78 valuations, exceed book value by around £45m.

Since the last balance sheet date, the group has also paid around $100m in the U.S. for Butler Shoe; there were 500 branches at the time, on short leaseholds mostly, and net tangible assets of some $55m. Given that these shops are on prime sites across the U.S., and that successful retailing units are not moved for the sake of it, the "key money" even with five year rent reviews could be very high.

Sears is practical, rather than particularly enthusiastic, about the various initiatives it has seen in recent years where accounting for properties is concerned.

It complies with the current SSAP 12, "Accounting for Depreciation," published by the Institute of Chartered Accountants in England and Wales in December 1977.

The accounting policies of its retail holding company, British Shoe, states that shops, stores and investment properties are depreciated at a ½ per cent annual rate on valuation or cost, calculated on the combined amount of land and buildings "because there are practical difficulties in apportioning this amount between buildings and site values for individual properties."

This sounds reasonable on an historic accounting basis, when the accountants give buildings a 100-year life and value between land and buildings is apportioned on a 50:50 basis.

But then there is SSAP 16 on current cost accounting, which made its debut in March 1980, and complicates matters quite considerably. Ward reckons that, against an historic 50:50 ratio on the historic basis, 75 to 80 per cent of its property values could be in the site, rather than the buildings, as is the case under CCA.

Obsolescent

On that basis, a board might have to take a strong look at its depreciation policies, he says. For British Shoe itself last year's CCA accounts add a depreciation adjustment on buildings alone of £7.5m to the historic £3.6m.

It is acknowledged that retail property inherently becomes obsolescent more at the tenant's expense than that of the landlord. The tenant gets tax relief on his modernisation expenditure as a trading expense, and that applies to Sears, as owner-occupier.

But whereas the landlord of an investment property will not have to depreciate what he owns—under the terms of ED26, Accounting for investment properties, currently under discussion—the owner-occupier, in some cases, is being forced to comply with what he regards as a nonsense, and an expensive nonsense at that.

هكذا من الأصل

On Friday night in Nottingham there were two productions of A Midsummer Night's Dream

Britten's Dream by RONALD CRICHTON

This autumn Glyndebourne Touring Opera visits four cities for one week each with *Figaro* and *Falstaff* in the familiar Glyndebourne productions and Britten's *A Midsummer Night's Dream* in the staging by Sir Peter Hall which won a great success this summer. The tour opened at Oxford and continued last week at Nottingham. Southampton and Manchester follow. The *Dream* is given once in each place, always on the Friday. At Oxford it packed the New Theatre. The Theatre Royal at Nottingham had a mere sprinkling of empty seats.

When Britten's Shakespeare opera is given by young singers, however experienced and competent, shifts of emphasis can occur between the various groups of characters. Here the quartet of lovers—Peter Jeffes as Lysander, Henry Herford as Demetrius, Jane Findlay as Hermia, Helen Walker as Helena—came right into the foreground. With such a well-balanced team it may be invidious to single out one name, yet Miss Findlay must have a word for her Hermia because her gifts as singer and comedienne are less familiar than her partners'. The rustics, jovially led by John Michael Flanagan's Bottom and graced by Adrian Thompson with a Flute-Thisbe in the unexpected mould of Queen Victoria, were rather strictly kept in their place by producer (Guus Mostart, based on Hall) and conductor, Jane Glover.

The fairy royals are especially hard to cast with young performers. One may doubt if Tytania and Oberon in this opera have ever been more securely, accurately and sweetly sung than by Gillian Sullivan and Robert Martin-Oliver, yet there was an absence of strangeness and cold mystery about them reflecting a generally painstaking, prosaic view of the supernatural element. The exception was the Puck of Dexter Fletcher, an abrasive urchin given a spark of magic by the touch of punk in his appearance — a contemporary reference justified, lightly made, not thumped home.

Strangeness and mystery, again, were not over-abundant in the orchestra pit, well as the Bournemouth Sinfonietta played for Dr Glover, a distinguished specimen of that English speciality, the performing scholar. It may be the fault of the dry acoustic unfortunately haunting this charming theatre that the expected enchantments refused to work as fully as usual until the second act was well under way. It was the same with the visual side. At Nottingham one admired the economy and ingenuity of John Bury's mobile back-garden bosk and the unseen human agents that move the foliage about, but they induced only moments of total surrender.

None the less, and even if it fell short of the effect this opera certainly and this production reputedly can make, the performance as a whole reached GTO's usual high standard. Where else can one regularly hear young singers of promise and achievement so well and thoroughly prepared and polished? It is not only desirable but essential that the rewards of intense work intelligently directed under super-summer-school conditions (which in spite of received notions to the contrary is perhaps what Glyndebourne is really about, even when more mature and internationally-known singers are concerned) should be more widely available. There does not seem to be a better way of doing this.

Shakespeare's Dream

by B. A. YOUNG

For most of the evening, I found it a trial to look at Nottingham's *Dream* at the Playhouse, but it has good features, and I'll deal with those first. Most of the lines are spoken intelligently and musically, especially by the central lovers' quartet. Janet Spencer-Turner, small and pretty and sharp as Hermia, and Jennifer Hall, tall and reserved and (to be frank) rather plump as Helena make a fine couple of adversaries. Miss Hall (who has heredity on her side) never put a syllable where I couldn't endorse it, even when it showed an innovative imagination. "Lysander on the ground, dead," she cried in a crescendo, then in a dismissive piano, an "or asleep" that encapsulates her current disillusion with young men. Put the two together in a boxing ring, though, and my money would be on Miss Spencer-Turner.

Benedick Blythe and Greg Cruttwell (who also has heredity on his side) make a handsome and romantic pair to act out with those two the misunderstanding in the wood. If only I had been listening to them all on the radio! Then I should not have had to endure Hugh Durrant's scenery, that suggests a wood less than a neon-fronted supermarket; or the costumes, designed by Paul Dart and Street Theatre, apparently without mutual consultation. Theseus and Egeus wear white dinner jackets; Philostrate is the head waiter in a Greek restaurant; Quince and his company might just have come in from a Nottingham workshop without time to change.

The young lovers, however, male and female, are given loose white kit suggesting pierrots, though they hang a good deal of costume jewelry on it. As for the grown up fairies, Cobweb is a Martian and the rest are baseball players. Oberon and Puck are modestly dressed in black but Titania makes her first entry, airborne from the wings, in a great golden gown with a flowing skirt that covers whatever machinery is holding her up. It is a second entry really, as we have already seen Darlene Johnson as Hippolyta with a jet of white feathers springing from her wig. As Titania she keeps her tongue in her cheek. Even when she is lying prone with her legs away from us she is able to flip us a glance that has everything of a wink in it save the actual dropping of an eyelid. Malcolm Sinclair plays both her spouses with courteous understatement.

The most notable feature of the mechanicals is that Bottom is an American, Don Fellows, a graduate of the Actors Studio but without their dreaded mannerisms. Heralded by the Archers theme song they take their amateur theatricals seriously, have two little painted backcloths for their show, and put Thisbe into a long wig and a printed frock from, as it were, Marks and Spencer, that makes George Winter a serious rival to Hermia and Helena.

The director, Crispin Thomas, has a star to play his Puck and emphasises his presence as much as he can. True, it is not a star actor, but a star skater, Olympic gold medalist, John Curry. He is lithe and graceful, with a come hither personality, and speaks his lines nicely. He isn't much like Puck but he is easy to like. "Give me your hands if we be friends," he besought from the front edge of the stage, and we were and we did.

Dominion/Odeon Hammersmith

Sheena Easton/Ultravox

by ANTONY THORNCROFT

Sheena Easton is the processed pop star who is not quite right. Launched fully and beautifully formed on to the world through an Esther Rantzen television programme about an aspiring singer, she has since functioned like a soaring space probe — hit records; a smash in the States, a world tour; chosen to sing the theme song of the latest James Bond film. It is like a cartoon strip character in *Jackie* comes to life.

But the real reason she has been such a success became apparent at the Dominion on Saturday: she is talented and there is rather more to her skills than she has been allowed to reveal. She looks, of course, like a fallen angel, and has rather an appealing squat. Other stage mannerisms will doubtless develop. Her voice is true but lacks depth. And yet she does possess that magnetic quality which puts the likes of Liza Minnelli and Shirley Bassey to one side. You might not appreciate their performances but you certainly aren't bored watching them. In addition Sheena Easton seems to have the ability and the desire to move away from the soft underbelly of commercial pop to a more sensitive repertoire. She reminded me of the American singer-songwriters of a decade or so ago — a Judy Collins perhaps.

She was only on stage an hour and everything was professional—the band, back-up singers, the lights, the dry ice finale—rather than inspired. The act was new material interspersed with the hits at just the right intervals. But continually there was a feeling that the ambition of the girl could make her a more important artist than her image suggests. She may never get mentioned in NME but *Rolling Stone* might be interested one day.

At the Hammersmith Odeon on Friday Ultravox displayed all the strength and weaknesses of electronic music. It can be lively and intriguing and it can be tedious and pretentious. In the middle section in particular a synthesised gloom fell on the evening, brightened briefly by a ballerina who accompanied their biggest hit "Vienna." But the fact that they have to introduce such gimmicks suggests they feel hemmed in by the limitations of their sound which also demands a static stage act. By the end, however, the band got the audience dancing again and all was forgiven.

London Galleries

Painting of sorts

To adapt M. Karr somewhat, the more that painting appears to change, the more it remains much the same; which is to say tat it must always deal with certain basic problems and preoccupations its superficial character notwithstanding. A short tour around the Bond Street-Cork Street block markes the point with some nicety.

John Hoyland (at Leslie Wadington until October 31) is one of our best painters, his work never less than interesting; but after the considerable success of his recent Arts Council retrospective, which also marked a significant development in his latest work, this show suggests some current uncertainty and even unease. A natural reaction perhaps, for artists do not necessarily develop in their work at a constant pace; and it is very much to Hoyland's credit that he has always been prepared to show and be damned.

The imagery of these new paintings is straigrt-forward enough, entirely non-representational blocks and lozenges of colour overlayed or locked together, their facets inscribed and annotated with further spreads and smears of colour, and the central figure they thus comprise floating free against an unspecific colour field — all typical Hoyland.

But suddenly, and quite untypically, these pictorial devices seem awkward and contrived, the colour not rich but garish, and the handling crude rather than vigorous. The flat acrylic surface is insensitive and unforgiving, and though it is hardly the critic's place to instruct, the thought does occur that Hoyland's difficulties are technical, that the acrylic medium to which he is so attached is no longer sufficient to his expressive needs.

Detail from 'Girl in Blue' by Gwen John

Such suspicions are confirmed *a little further down the street*, where Kasmin is showing Peter Kinley's deceptively simple paintings, again figure against field: but though the images in this case are nominally representational, they are so only pictographically—a square surmounted by a triangle standing for a house, an extended oblong for a hedge, a right-angled triangle with a gently curving hypotenuse for a hillside. These gentle, empty pictures, draw us to them not by any visual trick or excitement, but the subtle refinement and delicacy of Kinley's working of their surfaces, and the atmospheric magic of oil paint. I have found his work a little fey in the past, and here his geese and cows hark back somewhat uncomfortably, but he really does seem to be moving on at last.

And finally around the corner to Thomas Gibson in Bond Street, who is showing a small collection of early twentieth-century British paintings (until November 5) that includes some intriguing Sickerts, several excellent, and as varied, Gertlers, and what I should think is the best modern British painting currently on show in London outside the Tate, a Girl in Blue by Gwen John. And after Hoyland and Kinley, a look at her is salutary—it seems so effortlessly simple: crucially little more than a faded forget-me-not blue laid upon a muddy pink, the two pitched so close together and singing beautifully, colour painting at its very best, and so much else.

WILLIAM PACKER

100 Club

Olympia Brass Band

Led in street parade fashion by the parasol-twirling, white-suited Grand Marshal, Anderson Stewart, the Olympia Brass Band from New Orleans marched on to the 100 Club stand on Friday and brought with them all the unsophisticated joy and lively musicality synonymous with the marching bands of the Crescent City.

The Olympia is one of New Orleans' best known street bands (remember them in the opening sequence of the James Bond film *Live and Let Die*) and perpetuates one of the oldest forms of the city's rich musical heritage.

Listening to it, you are reminded strongly of the many types of popular music which originate in the New Orleans area. Echoes from the church, Louisiana blues, country music and even up-to-date minute funk and fusion were just a few of the overtones detected. Most eyebrow-raising of all, perhaps, were the high register squeaks heard eseveral times from altoist (and Olympia's leader) Harold Dejan which would not have been out of place in an avant garde group.

Because it is essentially a street band the Olympia is loud and forceful as well as joyful. The intonation may be wobbly in places and some of the ensemble raggedness may offend listeners who like their jazz neat and orderly. But what matters most with the Olympia, as with all marching bands, is its tremendous spirit.

In their striking Marylebone Cricket Club-coloured T-shirts and trousers, the seven be-capped musicians played three rousing sets in which the entertainment rather than the ceremonial aspect of their function was emphasised. Milton Batiste, a large man with iron lips, played trumpet with his right hand while using his left to bang a tambourine on his thigh Sometimes he detached the mouthpiece from his instrument and blew through that alone! Trombonist Wendell Eugene, often raucous, showed he had a quieter side as he squeezed gentle sounds from his horn with the aid of a mute. The tuba wrapped round the roly-poly figure of Anthony Lacen thudded away dancingly but never montonously, heavily supported by Nowell Glass on the big bass drum and Leroy Breaux on a snare drum hung from his shoulders.

With quite a few vocals (from Dejan and Batiste) the repertoire was not fully typical of a marching band, though "Didn't he ramble" and "The Saints" were inevitables. The infectious, happy mood of the evening was brightened further by the presence of most of the cast and band from the musical *One Mo' Time!* including New Orleanian Sylvia "Kuumba" Williams who delighted with her vocal talent and general vivacity.

KEVIN HENRIQUES

Youth Music Festival moves to the South Bank

The ever-growing National Festival of Music for Youth will celebrate its twelfth year in 1982 by moving to London's South Bank concert halls from its usual venue of Croydon's Fairfield Halls.

Concerts in the Royal Festival Hall, the Queen Elizabeth Hall and the Purcell Room on July 16, 17 and 18 will involve 4,000 young musicians, playing in everything from orchestras to recorder concerts and jazz groups to steel bands.

Elizabeth Hall

Annie Fischer

by MAX LOPPERT

After Annie Fischer's sublime piano recital on Sunday afternoon—no more than decently attended, but cheered with uncounterfeited fervour — one feels moved to offer affirmation in place of criticism. Miss Fischer seems to me one of the few great pianists of our day. The fact that she is not currently in vogue as such, and that her appearances outside her native Hungary are consequently few, does not make her, or them, less cherished on each encounter, less of a revelation. A flame—of imaginative freedom, classical rigour, and emotional freedom combined—burns through her playing. Like Rudolf Serkin, she has the gift of making each performance of repertory masterpieces seem new-minted, full of intellectual and spiritual discoveries freshly perceived and directly communicated.

Also like Serkin, especially in recent years, Miss Fischer concerns herself apparently little with "polished pianism." Her programme on this occasion was a superbly simple one—Beethoven's Op. 109, the Schumann Fantasia, the four Schubert Impromptus D935—and she played it with superb simplicity. But there were numerous passing imperfections, notably in the opening movement of Beethoven and the middle of Schumann. It is never true to say that such things are of no account. They matter; but what mattered infinitely more, in both readings, was the grandly panoramic sweep of vision, the willingness to take risks in determining the music behind the notes, that prompted such dynamic responses, and also the moments of erratic fingerwork. Dynamic energy of this kind, deriving both its source and its fulfilment deep in the music, is as rare as it is thrilling; it is worth all the polish and finger-perfection in the world.

This must not suggest that lovers of beautiful piano playing were left unsatisfied. There was an impulsive ardour in the attack on the Schumann first movement which drew rapture from each quirky turn of phrase; the last, spoken almost throughout as the most intimate and personal of secrets, began and closed on a thread of tone miraculously soft and sustained. Even the march movement, despite its stumbles, sounded heroic as it too seldom can, because of a conception of *forte* playing with no room in it for either "show" or faint-heartedness. Here, and earlier in Beethoven, one felt by the last notes that something important had happened; beautiful playing observant of small detail (Miss Fischer can play a final cadence rubato as though opening new vistas, not rounding off old ones) and involved with large issues is surely the most beautiful kind.

Perhaps the most remarkable achievement, though, came in Schubert. Performances of these pieces in self-conscious search of their profundity quickly loose touch with the essentially simple (though not, therefore, un-profound) nature of their basic materials. A fine balance was unerringly held between simplicity and profundity. The melodies were sung in full throat, without artifice; in the dance of the fourth, in F minor, the rhythms bounced joyously, with deliciously limpid soft scales. Yet the sense of Schubertian adventure was never lost—exploration into unforeseen harmonic terrain was a bold, sometimes alarming exploit. This recital affirmed the greatness of its composers in a way that reflected greatness on its author.

Festival Hall

Abbado and Brendel

by DOMINIC GILL

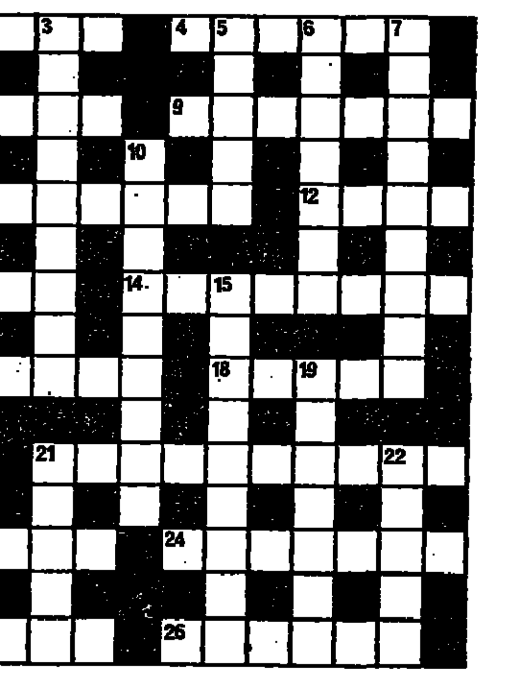
Last Thursday Abbado and Pollini, solo Pollini yesterday, Annie Fisher on Sunday afternoon—and at the heart of this feast of pianism, two very fine performances of Beethoven's first and fourth piano concertos from Alfred Brendel, again with the LSO under Abbado, on Sunday night.

Brendel's account of the first Beethoven concerto was as far removed from the ruthless vanadium-tipped efficiency of Pollini's Brahms as any playing could be. His first movement was all shapely elegance and sparkling staccato wit, though he had to modify substantially Abbado's super-brisk opening tempo—is it the permanently jet-lagged lifestyle of major conductors which makes so many of them these days set their metronomes so frenetically fast? In the Largo, Brendel's articulation had marvellous translucency and clarity (transforming the lovely duet with clarinet on the last page); his finale was a model of energy powerfully constrained — although once more Abbado pushed the tempo just beyond the point which the music, no less than the orchestra, could comfortably manage.

Abbado urged on the first movement of Beethoven's second symphony with still more feverish *con brio*—just the right side of gabble, but the wrong side of breathlessness, sidestepping the grandeur of the music entirely. It was more a question of inflexibility, however, than of basic pulse: such headlong flight suited some passages better than others; all it needed was less rigorous application. The Sunday-night audience was foiled in its attempt to applaud the scherzo as well as all the other three movements of the symphony by Abbado's decision to proceed directly *attacca* into the finale. The no-applause experiment, introduced tentatively by the LSO last week, should be extended without delay.

One sensed Abbado's inclination, even in the opening movement of the fourth concerto, once or twice to introduce a dramatic accelerando; but this time it was the deep current of the music itself, irreducibly calm, which held him back. The orchestral ensemble, for the first time that evening, was consistently smoothly knit; and Brendel's delivery too achieved a different smoothness, quick and crystalline, but warm in its lyrical voice. His andante was sung with noble simplicity; the high good humour of his finale had a pungent, silvery gleam.

F.T. CROSSWORD PUZZLE No. 4,702



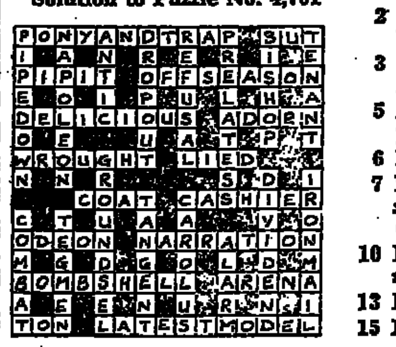
ACROSS

1 Prepares defence to understand offence (4, 2)
4 Start a meal outside (6)
8 Poet who made a sound hospital doctor (7)
9 Officer one has treated as prisoner (7)
11 Well behind recoil (6, 4)
12 Ringleader gets help for unwelcome visit (4)
13 Joker about to return stake (5)
14 Play for time with tiny bit of beast (8)
16 Live then dead — it's happened (8)
18 Virginia hindered servant (5)
20 Plug part of organ (4)
21 Honesty obtainable on easy terms (5, 5)
23 Smallest car mother left (7)
24 Temporary transfer (7)
25 Soldier has done damage to hotel Bible (6)
26 One returns to uncle to save (6)

DOWN

1 Doctor ought to work in sink (5)
2 Energy cast shows young bird (7)
3 Opening in one month on Russian heights (9)
5 Article on want more's the pity (5)
6 Fool to be expected (7)
7 Require one solicitor to settle matter by discussion (4, 2, 3)
10 Mother and child block spread at teatime (6, 3)
13 Force fish away in sport (9)
15 Profit players seek at 40 (9)
17 Made a request for a very quiet song (7)
19 . . . two ways to observe inspection (4-3)
21 Army unit loses final on philosopher (5)
22 Turning up excavated material (5)

Solution to Puzzle No. 4,701



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Tuesday October 20 1981

Poland's new leader

POLAND'S General Wojciech Jaruzelski, who has broken a long-standing Communist taboo by becoming the first military man to become the head of a ruling Communist party, is not the classic "man on a white horse." He might have appeared so briefly to some people last February when he became Prime Minister and attempted to use the prestige of his uniform to impose a 90-day strike moratorium and push through an economic reform programme. But both these initiatives lost momentum when they came up against the depth of the Polish people's resentment against past bad management and against Solidarity's demands for a share in the political and economic affairs of the country. They even clashed against the new-found refusal of parliament to play its traditional rubber-stamp role.

Under these circumstances the General's record as Prime Minister has not been particularly brilliant. Nevertheless, he came to the office with a reputation for honesty, patriotism and opposition to the use of force against fellow Poles. He takes over control of the party with this reputation intact.

Anger

The party which he takes over appears to be in an angry and frustrated mood. It vented some of its anger by attacking Mr Stanislaw Kania who thus received scant thanks for 13 nerve-racking months of power. During this period he struggled to rebuild a party demoralised by the evidence of corruption and inefficiency which followed the downfall of Mr Edward Gierek. But the reformed party which emerged from the congress last July has not been able to re-establish that "leading role" which Communist parties traditionally take for themselves.

The Central Committee elected at the Congress was made up of almost entirely new faces. Only 18 of the 200 members elected to the committee last July had had previous membership experience, around 40 were known to be Solidarity members and many others were chosen because of their close links with the grass roots of the party. This was the Central Committee which re-elected Mr Kania on an unprecedented free vote—and which has now unseated him a mere three months later.

The party appears to have turned on Mr Kania partly out of resentment at the way in which he has by-passed the elected representatives and ruled instead through the traditional party apparatus. But perhaps the greatest disappointment has been the failure of the post-Congress party to fulfil the perhaps exaggerated hopes expressed before the Congress. The hope was that a reformed party would be better able than its tarnished predecessor to establish a *modus vivendi* with Solidarity.

The model for such co-operation was seen in the working relationship established between Solidarity and reformist party leaders in some of the large shipyards and factories in Gdansk.

In the event however, neither the newly-elected party leadership nor Solidarity proved able to make the sort of quantum leap required to establish such a relationship. Relations between the two forces have deteriorated even further following Solidarity's two-part Congress with its appeal to unionists in other East European countries and its overtly political as well as economic demands.

Meanwhile the economy has gone from bad to worse. Solidarity itself appears to have been losing the ability to prevent increasingly frequent wildcat strikes, mainly to demand extra food rations which are just not available. Furthermore, winter is approaching—when queueing will become a nightmare for many and power cuts an inevitability. Under these circumstances there is a very real risk of civil strife this winter and a breakdown of law and order, in spite of the best efforts of the Catholic Church and Solidarity.

Drama

Under these circumstances the authorities might have little alternative but to declare a state of emergency, abrogate the right to strike, direct labour to vital sectors like the coal mines and agriculture and generally impose its will on society through force.

If this failed the next step could well be Soviet intervention, a step fraught with enormous consequences not only for Poland but for peace in Europe.

The election of General Jaruzelski as head of the Polish Communist Party could well be the last opportunity for all participants in the Polish drama to take stock once again of the risks they now face.

Oil and gas go private

"THIS GOVERNMENT," Mr Nigel Lawson, the Energy Secretary, said yesterday, "was elected to roll back the frontiers of the state." And there can be no denying that his statement to the House of Commons on "the divestment of certain assets of the British Gas Corporation" foreshadows the most radical act of privatisation so far. The only question is why it has been delayed so long.

Hitherto, the Government has considered only relatively minor measures: the selling of the Corporation's gas showrooms where it enjoys a virtual monopoly in the retail field and the disposal of its 50 per cent stake in the Wytch Farm oilfield in Dorset.

Price effects

Now Mr Lawson has gone much further. The measures proposed yesterday include the transfer of the entire oil-producing business of the British National Oil Corporation to the private sector with the state retaining a minority stake, the injection of private capital into the Gas Corporation's offshore oil business and the ending of its monopoly right to buy North Sea gas and to sell it to industry.

Coming at this stage of the Government's lifetime, the proposals are almost bound to be misunderstood and misinterpreted. There will be an inevitable tendency to see them as an attempt to reduce the public sector borrowing requirement by selling off state assets. In fact, it will be a year or so before the PSBR is affected and it would be wrong to see yesterday's statement entirely in the context of the latest effort to cut public expenditure.

It is also likely that at least the short-term effect of ending the Gas Corporation's monopoly over North Sea gas purchases will be to raise prices to industrial consumers, and therefore industrial costs. The reason is that the Corporation has used its monopoly position to buy and sell gas at considerably lower than world prices. It will be some time before new suppliers and their customers adjust to more realistic levels.

The justification for the Government's proposals thus does not lie in the search for immediate benefits. It is rather in the injection of competition into areas where there is no reason for a state monopoly. It was never clear in the first place why the state needed a majority stake in an oil producing company. The state exercises its influence through taxation and the granting of licences. For the rest, its business is to make sure that the oil companies compete. The disposal of the oil producing assets of BNOC is, in effect, a straight financial transfer to the private sector and, in this case, there should be plenty of takers. It is the sort of act which the Government was pledged to introduce at the start.

Gas, like telecommunications and electricity supply, is a public utility where a degree of monopoly in transmission and distribution is unavoidable. But competition can and should be introduced in other parts of the business, such as the retailing of gas appliances and the purchasing and supply of gas for industrial consumers, where the dominant role of the British Gas Corporation has had a distorting effect on the market.

Accident

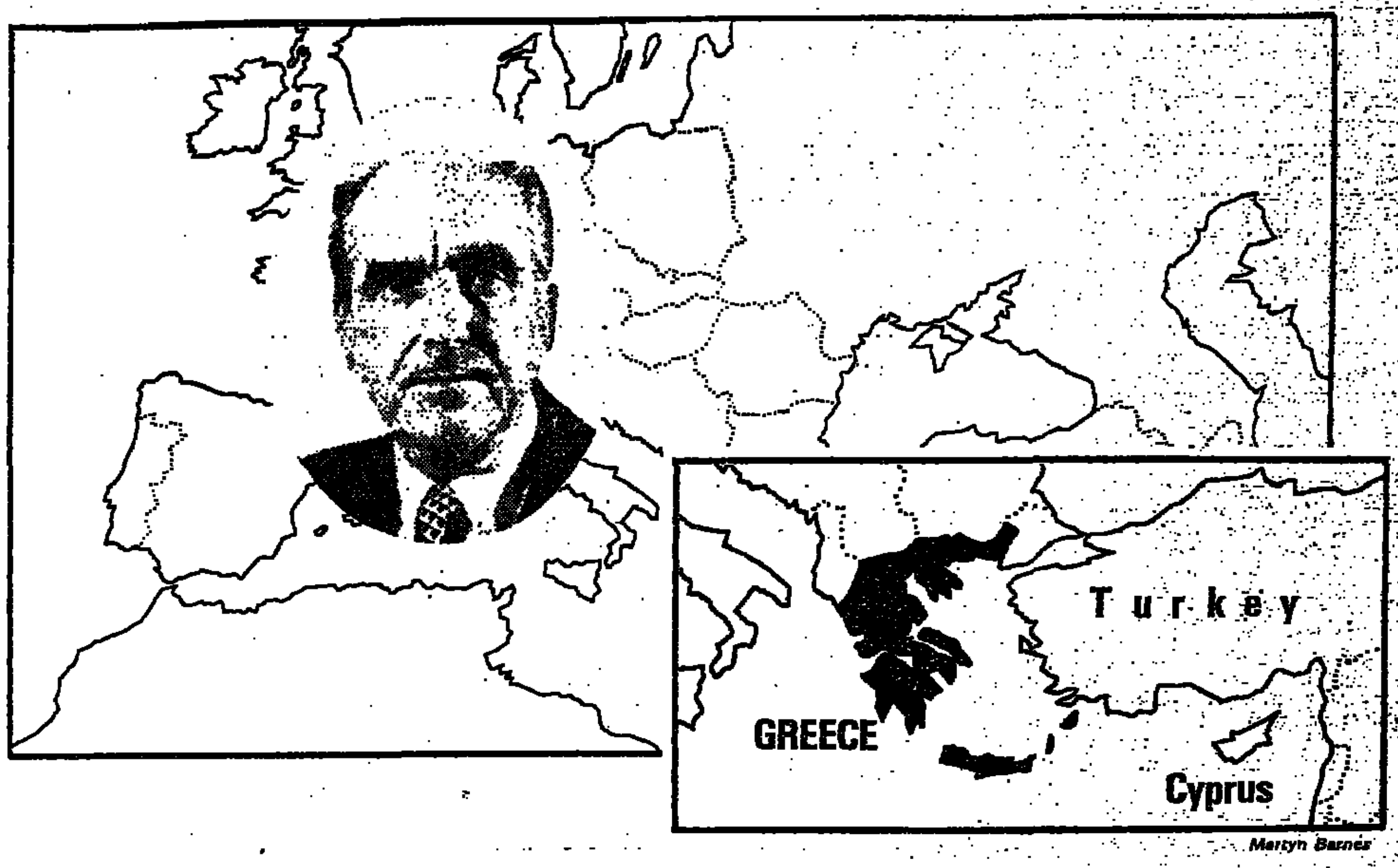
There is no reason why the Corporation should not — and will not — remain a major gas supplier, but in the long run it will do so more efficiently if others are allowed to compete. For its monopoly over purchasing has not only controlled the price of gas; it has also limited exploration and exploitation by keeping the price artificially low and thus deterring investment. That cannot be an effective policy for the future.

Now that the Government, however belatedly, has proposed radical action in this field we hope that it will raise its sights to other sectors where there is an urgent need to curb the baronial power enjoyed by state-owned monopolies and their unions. Even the National Coal Board should not be exempt.

GREECE SWINGS LEFT

A question mark for Europe

By Rupert Cornwell in Athens



Martyn Barnes

GREECE has come of age politically. Whatever one's opinion of the radical policies of Mr Andreas Papandreou's Pan-Hellenic Socialist Movement (Pasok) which has swept to power, whatever the apprehensions about the country's future ties with the Community, the western alliance, and Turkey, perhaps the biggest victor of Sunday's general election has been Greek democracy itself.

For the first time in recent history the left is in power. And just as M Mitterrand's victory in France fully legitimised the Fifth Republic, so Pasok's triumph this weekend over the centre-right New Democracy Party has sealed the constitution brought in after the collapse of the military dictatorship in 1974.

"Democracy is now functioning in our country as perhaps at no other time in its history," said Kathimerini, the leading daily paper yesterday morning.

Indeed, what astonished on Sunday was its very normality: the smoothness of the transfer of power, the dignity and swiftness of the concession by Mr George Rallis, the outgoing Prime Minister, the restraint of Mr Papandreou, the good natured exuberance of his supporters afterwards—even the sight of the police standing around with not a riot shield in sight, and looking rather bored. It could have been anywhere in western Europe.

Whether this happy state of affairs will continue it is impossible to be sure. The political history of modern Greece is a stormy one, and periods of stability (such as the last seven years) have often given way to feuding, splintering of parties, constitutional sharp practice, and, more than once, military takeover. But the climate for the accession of the Left could not have been more propitious.

The biggest reassurance of course, both at home and abroad, is Mr Constantine Karamanlis, the 74-year-old President, who has towered over Greek democracy for the last quarter of a century. Prime Minister between 1955 and 1963, when the foundations of Greek economic expansion were laid, he returned from exile in Paris 11 years afterwards to take office again, before stepping up to the presidency in the spring of 1980. There could be no greater guarantee of constitutional continuity, although his actual powers are fairly limited.

An equally encouraging omen, at least in the short-term, is the presence as leader of the parliamentary opposition of the sober Mr Rallis. But he may not be there long.

Once New Democracy has recovered from the shock of losing power, the search for a scapegoat will begin. A fierce battle may be in prospect for control of the Greek right.

That though is for tomorrow. The question today is how Mr Papandreou, an enigmatic and complex politician, of whose exact intentions few are sure, will use so clear cut a mandate.

The 62-year-old Andreas Papandreou, son of Mr George Papandreou the former centrist Prime Minister of the mid-1960s, has had a controversial career ever since he returned to Greece two decades ago after more than 20 years in the U.S., mainly in academic life.

Imprisoned by the Colonels for a brief period, his political views since have grown steadily more left wing and taken on increasingly anti-American tones. His domination of the party he founded in 1974 is absolute, and Pasok has yet to call a full-scale Congress.

As political power has become a real possibility, however, his public statements have mellowed somewhat—even though the tendency to please whatever audience is in front of him has led to much confusion over what precisely he stands for.

His relations with the president are cordial (some even have said that privately Mr Karamanlis was not averse to a Pasok victory, on the grounds that if it had to come at least it should be when he was still in office). And although there were fears that he would use the margin of his victory to press ahead with the most radical elements of his programme at once, the first signs have been otherwise.

True, on Sunday night Mr Papandreou was promising to create a "socialist Greece," but more than once he insisted that his Government would rule "for all the Greeks."

As if to reassure the business community, which has been understandably nervous of the left in power, he has emphasised that economic stabilisation will have to take precedence over implementation of parts of his programme. Most important of all for the outside world, however, was his assurance that he would not indulge in external "adventures."

Nowhere has Mr Papandreou aroused more suspicions than over his foreign policy: the doubts come in two parts; over his country's continuing membership of the EEC, and on the three intertwined issues of its status within Nato, the future of American bases in Greece, and relations with Turkey, especially over Cyprus.

The common thread through all of them is Mr Papandreou's articulation of Greek nationalism: the diffuse, yet tangible, feeling that the previous government had allowed itself to become too conditioned by foreigners, whether in the guise of alliances or economics groupings.

But first the Community. Pasok's election manifesto promised a referendum on Greece's 10-month-old formal membership. Whether, or when it would take place was not actually spelt out. The EEC has not been the country's providential economic saviour, as the last government implied it would be, but neither is it bitterly resented.

The best guess, perhaps, is that, whatever happens, Greece will be taking a much more self-interested line in Brussels. But that, after all, is a path well trodden by others, not least Britain. Indeed, which of the Ten today is ever really prepared to sacrifice a perceived national interest?

Much more awkward is the second segment. At the very least, there is now a new and unpredictable element in the Aegean and the east Mediterreanean, long an area of deep concern to alliance strategists, and more sensitive than ever after the murder of President Sadat of Egypt. All is complicated further by Mr Papandreou's ambiguous brand of South Mediterreanean Socialism, and his emphasis on non-alignment.

Andreas Papandreou has had a controversial career since he returned to Greece two decades ago. As political power has become a real possibility, his political statements have mellowed—to the point of confusion over what precisely he stands for

Both the ambiguity and the desire for non-alignment are most vivid in his declared attitude to the American bases in Greece. His goal is a Greece free of foreign bases and of nuclear weapons under external control. But Pasok's manifesto speaks of a transitional phase of "compartmentalisation," and the last word during the campaign was that negotiations on their status would not be resumed until next March.

The biggest nightmare of all, however, for Nato planners would be a straight Greek withdrawal from the alliance, the ultimate target according to the manifesto.

Mr Papandreou has tirelessly reminded foreign questioners that for Greece the alliance did not hold the guarantees offered to other members, since it gave no protection against aggression from the east—in other words from Turkey, his country's ancestral enemy.

But the issue is unlikely to be so clear-cut. The manifesto commits a Pasok government to ask parliament to reject the "Rogers plan." This was named after the then supreme commander of Nato and sealed Greece's return to the organisation's integrated military structure, six years after Mr Karamanlis withdrew in the aftermath of the 1974 Cyprus debacle. This was when Greek bitterness was at its height over the alliance's alleged failure to restrain Turkey from invading the island.

It is perfectly possible that Greece will pull out again. But Mr Papandreou is unlikely to burn his bridges. Any complete break would, in the present tense international climate, be likely to lead to a massive arms build-up for Turkey, as the last pillar of Nato's defence structure in the region.

Furthermore, the new Prime Minister, for all his Gaullist inclinations, must be careful to ensure the capabilities of his own armed forces, today predominantly U.S.-equipped. Defence, he has proclaimed, is a top priority and Mr Papandreou has no wish to upset his military hierarchy, which remains strongly pro-American. The memory of 1967 to 1974 is much too close for comfort. The calculations are highly delicate, and the new government may prefer to tread warily.

Last but not least comes Cyprus, that continuing scar on Greek pride. Throughout the election campaign it hardly intruded; yet the first question on Sunday from a Greek journalist to a triumphant Mr Papandreou concerned the stalled inter-community talks in Cyprus. Mr Spyros Kyprianou, the island's president, will be seeing the new Prime Minister on Friday to discuss the problem.

It was Cyprus among other things that Mr Papandreou had in mind when he warned last week that he would tolerate no claims on existing Greek sovereign rights in the region. Turkey was the object of the warning.

But elections everywhere are won and lost on domestic issues, and Greece in 1981 has been no exception. Victory by so great a margin means that Mr Papandreou captured not only the bulk of the 600,000 new young voters on the electoral register, but also most of the middle ground, cast adrift after the break up of the old Centre Union party since 1977.

Mr Papandreou's economic policies may be blurred in detail, but their broad aim is crystal clear: to bring what might be termed the public part of Greek life—the civil service, the administrative structure, the social services, the treatment of citizens by the State—into the final quarter of the 20th century.

He himself has acknowledged that the costliest parts of the programme, covering improvements in welfare and social services, will have to wait. The first task will be to bring down inflation (now the EEC's highest at 23 per cent) and boost investment. The business community here is worried not so much by the prospect of doctrinaire Marxism, but that controls on prices, and on the flow of capital and investment, will prevent the full opening up of the economy.

In practice, to begin with the new government will be pushing through cheap, but no less innovative, social measures to symbolise the change which has been the theme of Pasok's campaign. Police files on the political beliefs, a hangover from the 1944-49 civil war will be abolished, women will have full equality, the voting age will come down to 18, and decentralisation will be theo rder of the day.

The world's eyes may be fastened on the international implications of Mr Papandreou's new Greece. But the man in the street has voted above all for change at home.

In the first months Mr Papandreou will enjoy a state of grace. He has been virtually the sole spokesman of Pasok, and its triumph has been his own. With about 175 of the 300 parliamentary seats, his majority is beyond challenge.

Later, things may well turn sour. Pasok drew its support from several strands, socialist, social democrat and centrist. These differences sooner or later are bound to show up within the parliamentary party, but in these first heady weeks of triumph, Mr Papandreou's hands are fettered only by himself.

Men & Matters

Delivering the goods

Not even Transport Minister David Howell could get Peter Thompson's name right yesterday—but the identity of the National Freight Company's chief executive is unlikely to be mistaken again. Thompson's achievement in persuading the Government to sell National Freight to him and his 26,000 managers and staff for £53.5m is altogether too significant an industrial event for that.

Though comparatively unknown outside the transport industry, Thompson has long been well - enough known and respected inside it to be tipped as a possible future contender for such jobs as the chairmanship of British Rail.

An affable Yorkshireman with an economics degree from Leeds University, Thompson's first job was with Unilever who rapidly posted him in the 1950s to the fast-growing Birds Eye subsidiary to establish its transport and distribution system.

Thompson went on to GKN to set up a central transport and shipping department for the group and—after three years at Rank with John Davis and Graham Dowson—moved to British Steel to do the same for it.

"After the third reorganisation, I got slightly bewildered," Thompson tells me. It was at that moment that an old Unilever friend Sir Daniel Pettit, then National Freight chairman, invited him to run BRS, its largest subsidiary. He became NF's chief executive in 1976.

Thompson says his first ideas of a staff buy-out were largely defensive. "It seemed a good way to stave off any predators or just someone whose management style we might not like." But the idea became infused with entrepreneurial spirit—"it seemed a rare chance for a lot of people who would normally go on earning salaries to take a real part in the action."

There was "a bit of vision, too," Thompson adds. "A total staff buy-out that would help to get rid of the us-and-them attitudes."

When his 100 senior managers rose spontaneously to applaud the signing of the agreement with the Government at a weekend meeting in Bedford, Thompson says: "I was finally convinced we were on the right road."

Ifs and butts

This Yorktown goat is an intriguing business. A magnificent specimen, I gather from my goat-fancying U.S. correspondent, was produced by the Americans to accompany the Royal Welsh Fusiliers in their re-enactment of the 1781 surrender to Franco-American forces. Decked out in silver plate and gilded horns, it made an admirable substitute for the home-grown product kept out by quarantine regulations.

But should it have been there at all? Was it in fact the case, as I am assured by a correspondent, that the original 1781 goat was out of action with fleas? I shall have more to say on this subject.

Looming ahead

Anybody who drops an experience curve on the floor at Carrignton Viyella from now on can expect a severe talking-to. For into Robin Biggam's shoes as finance and corporate development director steps Jefferey Hewitt, 34-year-old former manager with thet Boston Consulting Group, and mastermind of the BCG rationalisation plan presented to the Carrington Board last year.

Biggam's departure is no surprise, since he was appointed to Carrington last September on a year's secondment from ICI, which owns 49 per cent of the textile group. He will be joining ICL in December, where he replaces Charles Stuart, who goes to Metal Box, where he replaces James Sieve, who . . . but I'm sure you don't want to know all that. The point is, how will they respond in Hunsworth and Donaghadee to growth/share matrices and rising dogs? And come to that, whdre does Carrignton Viyella stand on the celebrated Boston matrix? Cash cow? Dog? Rising star?

"There is not a single possible answer," says Hewitt, adroitly sidestepping the pigeonhole which I laid before him. And should the men and women of Airedale and Bradford be brushing up on their exponential growth rates and marginal price premia? "I think that my style of operation will be appropriate to the needs of the group." And awter last year's 33 plant closures, 12 plant cutbacks, 25 per cent redundancies and £21.5m extraordinary charge, are there more cuts to come in the wake of this year's first-half £3.2m attributable loss? "A lot of progress has been made in a very difficult environment . . . 1980-81 has seen the major rationalisation programme . . . one is obviously not saying one way or the other."

Hewitt was educated in the American way of business at Stanford, and has spent seven years at BCG. Professional discretion prevents him from enumerating his major jobs there.

The BCG team reported to Carrington 13 months ago in the wake of a boardroom shake-out, when ICI was thought to be doing a fair bit of the shaking. BCG told Carrington to accelerate its move out of basic spinning and weaving and out of high-volume low-margin goods, a course which the group has since been following.

With Hewitt not beholden to ICI—at least no more than 49 per cent beholden — ICI treasurer John Crowe is moving on to the Carrington Board as a non-executive director. And if Carrington is thinking about any performance targets it might like to set for the immediate future, it could ask Crowe about the valuation of Carrington shares in ICI's own balance sheet. They stand there at 25p, or rather more than twice what the market has been thinking they are worth lately.

Many a slip

What's in a name? Well, you can take your pick, really, since I see from an announcement on the market tapes that "Lovable Limited and Pagan Limited, the Cumbernauld-based ladies' underwear manufacturers, have gone into receivership." I may even apply to buy one of those titles myself, depending on how I feel later in the week.

Observer

U.S. INTEREST RATES

The thumbscrews are still on

By David Lascelles in New York

IN THE last few weeks, U.S. interest rates appear at last to have started their descent from the dizzy heights reached during the summer, a development that has been greeted with as much relief abroad as in the U.S.

The prime rate, over 20 per cent at one stage, is down to 18 per cent. The drop in market interest rates has been even sharper. The overnight inter-bank rate on Wall Street (the Fed funds rate) has dropped from 20 per cent to around 15 per cent, with a parallel drop in Eurodollar rates. This, in turn, has brought about a fall in the dollar and through it an easing of the upward pressure on interest rates in other countries, some of which have started to fall.

Historically, interest rates remain extremely high — at its present level, the prime rate would have set a record only 18 months ago. It is a measure of the worldwide concern about U.S. interest rates that a drop in the prime to the high teens should rate as good news. The thumbscrews may be a notch looser, but they are still on.

The turnaround has not set off any great surge of optimism on Wall Street. Nor has it fostered any widespread belief that the corner has finally been turned after some of the most difficult times in the financial markets' memory. Rather, the opposite. Cool analysis suggests that little has changed since Wall Street panicked about the budget deficit last spring and the White House's $43bn deficit projection for this year is still thought to be at least $20bn short of the mark. In the bond market, a key guide to inflation expectations, interest rates are still running about 6 per cent above the inflation rate.

At best, analysts and bankers believe that the decline from now on will be slow and uneven (after the earlier J and U curves, the popular phrase is sawtooth). At the other end of the scale, influential people, including Dr Henry Kaufman, Wall Street's best-known guru, speak of "bear traps" and "mirages" and warn that the drop is no more than a lull in pressures that will push interest rates to eve nloftier peaks in the months ahead.

As if there was not enough uncertainty, the White House has taken issue with the Federal eReserve over its handling of monetary policy, raising the spectre of a big political battle which could easily destroy what little confidence the Fed has managed to instil in Wall Street.

Mr Donald Regan, the Treasury Secretary, suggested that the Fed's policies posed a threat to growth. Mr Paul Volcker, the Fed chairman, retorted that the real culprit was the Government's badly balanced budget, and vowed to fight on.

Given that interest rates were already on the way down, the White House's attack was curiously timed. But it could easily be read as evidence that President Reagan doubts whether interest rates will continue to drop, at least at a speed that would get the economy going again in time for next year's mid-term election campaign.

From Wall Street's viewpoint, the attack was also ill-judged, not to say unnecessary. The Wall Street Journal, a bastion of Reaganism, said in an editorial last week that the attack on Volcker left "a sense of drift with those of us who thought an inflation fight was imperative increasingly feeling that the Administration is not up to the task."

Indeed, the Fed has for some time been trying to ease the pressure on the financial markets by supplying extra funds to the credit system and helping banks increase their reserves, which are the building blocks of credit.

This is not, however, a departure from the Fed's basic policy which continues to be directed at controlling the growth of the money supply in the belief that this will eventually bring down inflation. In this regard, it has been fairly successful.

M1-B, the most widely watched money supply measure, has been growing below its target range, as intended, while M2, the broader measure, has been rising at the upper end of its band, also as intended. This has taken a skilful juggling act on the Fed's part because the volatile environment has encouraged people to shift funds among various types of bank account and investments which fall under different "M" measures.

However, the Fed's tight monetary policy is being increasingly tested by the Reagan Administration's fiscal policy—and it is clear that the clash between the two will have a decisive effect on where interest rates go next year. The optimists generally believe that the Administration will succeed in bringing its budget deficit under control, and that the financial markets will develop enough confidence in Reaganomics to be willing to buy Treasury bonds. But there are pessimists who still see no reason to expect that Mr Reagan will be able to cut his budget enough to take a huge financing load off the markets.

A prominent optimist is Mr Walter Wriston, the chairman of Citicorp, the largest banking group in the U.S. Mr Wriston almost became a member of the Reagan Administration himself. Earlier this month he predicted that the prime rate would fall to about 10 per cent by the end of next year.

His rationale is that, once Reaganomics take root, and the tax cuts and other tonics start to work, there will be a radical change in the country's expectations which will knock the uncertainty premium out of interest rates. The bond markets will rally. Investors, their pockets jingling with dollars from the tax cuts, will rush to "catch the train," and equilibrium will be restored between demand for credit and the supply.

Although Mr Wriston is a banker, his view ties in closely with that of the industrial community whose concerns, if any, about the fiscal problem are greatly outweighed by their enthusiasm for the tax elements of the Reagan package. Many of these businessmen also believe that the generous capital recovery provisions of the Reagan Tax Act will enable them to generate more capital internally, which will in turn reduce their need to borrow on the open market.

The pessimistic view is put most forcibly by the Wall Street figures, such as Dr Kaufman, whose concerns are not so much with tax breaks as safeguarding the value of financial assets.

They are not convinced that Mr Reagan will be able to reduce the budget in the next 12 months. They think the volume of Federal borrowing could soar to as much as $85bn, which would be equivalent to about half the total amount of new saving available to the capital markets. A key test may come next month when the Treasury comes to market for its fourth quarter financing. The amount it needs could be a record $35bn. This could well coincide with a new surge in the money supply caused by the funds the Fed pumped into the system in its pressure-easing operation in recent weeks.

On top of this, Wall Street is concerned about a surge in demand for credit from U.S. business which is currently having to finance itself with record amounts of short-term bank money. However, eventually, it will have to lock in some long-term capital. Municipalities, whose circumstances have been greatly straightened by the Administration's cutbacks in grants and subsidies to local governments, will also have to borrow at higher, possibly record rates. Competition for funds will therefore be intense, and will greatly outstrip the supply, even enhanced as it may be by the Reagan tax breaks.

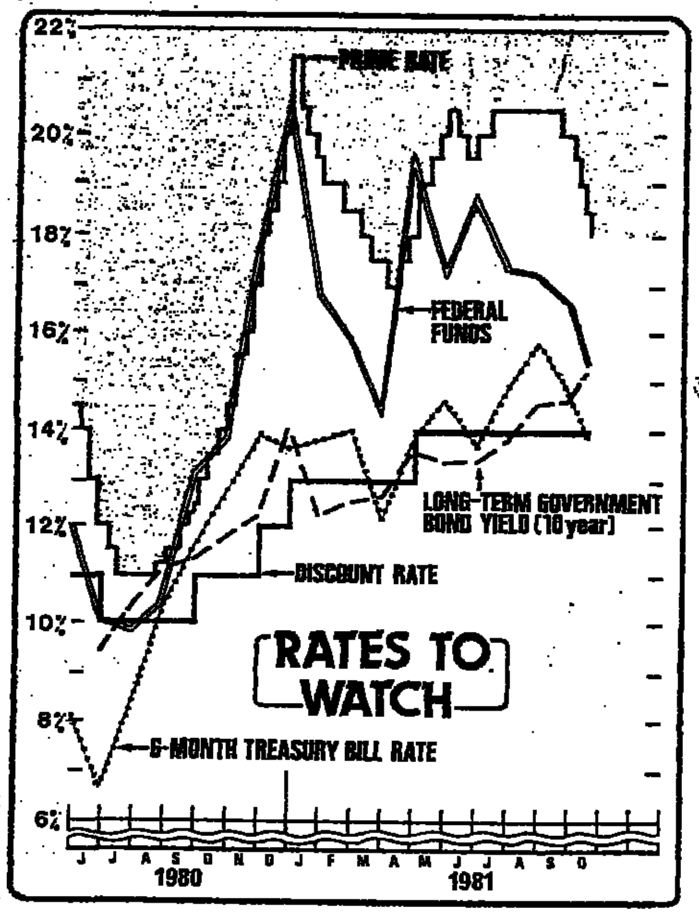
Wall Street figures have been among the most vocal advocates of increased taxes as the solution to the Administration's deficit problems. Value added tax, gasoline tax and European-style taxation on drink, tobacco and autos have been suggested.

A recession could alter the picture dramatically by sharply reducing credit demand, though even that is disputed by some. Dr Kaufman, for instance, believes that the economy has adjusted so well to high interest rates that the worst it will do is "sputter and spurt." Others point out—as the UK experience has shown—that recession actually increases the public borrowing requirement because it reduces tax revenues and places a heavier social security burden on the exchequer.

If the pessimists are right and interest rates remain high, the implications, both in the U.S. and abroad, could be severe. Other countries' efforts to bring their own interest rates down to stimulate growth would be affected, while the conflict between the White House and the Fed, particularly if the central bank sticks to its guns, could intensify.

Mr Volcker said earlier this month that a firm monetary policy must be pursued well into next year if it is to be effective. He described 1982 as "the testing time" because of the important labour contracts that will be negotiated then, with the auto workers and the teamsters leading the way.

Analysts estimate that the tentative money supply growth targets set by the Fed for next yeart most are half a per cent down on this year's) do not leave much room for real growth in the economy. So political pressures for an easing in monetary policy could mount. Already, speculation is rife about who Mr Reagan will nominate when vacancies on the Fed Board of Governors occur next year. Mr Volcker himself is due to serve until 1983.



Graham Lever

THE recent drop in U.S. interest rates has been most marked at the short end of the market, principally the Fed Funds Rate, which measures the cost of short-term inter-bank lending, and Treasury Bills. The Prime Rate, which banks fix a percentage point or two above money market rates, has come down more slowly because of uncertainty in the banking industry about interest rate prospects.

Similiarly, fears about inflation and the U.S. Government's budget deficit have limited the rally in the Bond Market. The Federal Reserve Board has reduced the penalty Discount Rate for large and frequent borrowers at its discount window from 18 to 16 per cent, to bring it into line with the drop in market rates. But this does not mark a shift from its tight monetary policy: the basic discount rate remains unchanged at 14 per cent.

Lombard

National Freight gives a lead

By John Elliott

IT SEEMS a long time since anything very dramatic happened to push forward the frontiers of what was known as industrial democracy in the days of the last Labour Government. The Bullock debate on worker directors died before the general election, and little has been done since then in the tougher political and economic climate of the past two years.

Now the National Freight Company has taken a step which is little short of historic. The business is to be acquired from the State by its 26,000 managers and workforce in an unusual development of the management buy-out principle. A trade union leader may be appointed as a non-executive member of the board, and the executive directors acknowledge that they will have to be more sensitive to the views of their new shareholder-workers.

Personal investments will, in general, range from £25,000 by the top 10 directors to £1,800 by line managers and about £100 to £200 by more than half the rest of the workforce. Together they are likely to control the company. This is therefore considerably more significant than the usual profit-sharing or share-ownership schemes; but it stops short of being a worker co-operative.

Managers will maintain traditional managerial authority, but will operate in a participative framework that has been developed in recent years. As Mr Peter Thompson, the company's deputy chairman and chief executive says: "An authoritarian management could not contemplate being answerable to shareholders who were also their subordinates at work."

The idea of turning an ordinary management buy-out into this more radical proposal developed quite logically. The buy-out was first thought of by Mr Thompson and his top colleagues in order to ward off unwelcome outside bidders, once the Government made it clear it intended to denationalise the business. Then the managers decided they did not want institutions holding a majority of the shares, as happens in most buy-outs. So, with remarkable vision, they thought of harnessing their participative traditions by inviting the workers to invest, too.

But the managers do not want the employee-shareholders to have any new collective voice—they will only have the usual voting rights of individual shareholders and, as a fully unionised workforce, their usual consultative and negotiating systems.

It remains to be seen whether the trade unions involved (which are ambivalent about the buy-out) take the logical steps of trying later to organise some kind of direct representation of their member shareholders. This could be done through direct election of worker-directors or through mass-organised proxy votes at company meetings.

For the time being the emphasis is on individual shareholdings and traditional managerial and boardroom authority. This underlines the change in the climate since the Labour Government's industrial democracy debate which was aimed at altering the balance of power in industry by means of collective worker representation through trade unions.

Many experiments started at that time, including those at BL and the Post Office, have collapsed, and many industrialists and managers wrongly believe that the issue of employee involvement has vanished for a long time to come. It is an issue that will not die. Instead of ignoring it, companies could enhance their chances of emerging from the recession without revolts by workers and trade unions if they tried to face it constructively, improving the opportunities for their employees to take an interest in company affairs.

That is what the managers at National Freight are doing, by recognising the rights and interests of employees, as well as outside shareholders, and by welding this onto a participative managerial style. It is a development that should be widely applauded, not least because it shows a positive alternative to the confrontational style of labour relations which has become fashionable since the Government came to power.

Letters to the Editor

Electronic confusion

From the Director, Electronic Components Industry Federation

Sir,—It is incontestable that at least some "recipients of Japanese technology" will, as you said in your leader of October 8 "become more competitive than they would otherwise be."

But this does not necessarily mean that nothing but benefit will follow. In the field of electronics if foreign technology is acquired mainly by means of the assembly here of advanced products from imported kits or the purchase of critical advanced components only from abroad, then the British electronic components industry is liable to be seriously undermined; and as I have argued before in your columns the long-term competitiveness and success of the electronic equipment industries are interdependent with those of the electronic components industry.

That is why this Federation has recently urged upon the Minister of Information Technology that the Government, when negotiating technological agreements with Japan involving electronics, should insist that their terms should be such as to strengthen, not weaken, the British components industry. And it is why we have also urged the new Chief Executive of ICL (whom we wish every success) first whenever possible to procure components from British firms; and second where there is no alternative to Japanese components, to seek to arrange their manufacture by British firms under licence or in joint ventures, so that not only ICL but also the UK components industry can benefit from the technology purchased.

R. H. W. Bullock,
7/8 Savile Row, W1.

Top people's pay

From Mr J. D. Rimington.

Sir,—John Elliott's article on Top People's pay (September 30) wrongly says—not for the first time in your columns—that the Top Salaries Review Body's findings have been based on comparisons with the private sector, though he rightly adds that its recommendations (in fact, on a much less generous basis) have almost invariably been set aside by governments.

The TSRB always publishes interesting data on private sector salaries but has never gone further than to say that this is more relevant to determining nationalised industry salaries than the rest. It has always refrained from saying on what basis it thinks top public sector salaries should be fixed, though close students will have noticed that the rate of inflation since the date of eventual implementation of each previous recommendation has been an important factor. Indeed, TSRB has been formally precluded by the Priestley Committee Report (1956) from adopting comparability for top Civil Service salaries—which in turn have in practice governed those for senior military officers and judges.

The TSRB's only adventure into salary comparisons was its 1974 effort at comparing British and Continental Civil Service salaries, the most ludicrous error in which was to compare the British Permanent Secretary with the French Assistant Secretary while also omitting the latter's "primes" (plus about 50 per cent of salary) and "thirteenth month" from the calculation. That table still nevertheless lives on in the demonology, and has been more than once quoted in your columns.

J. D. Rimington,
8 Alwyne Place, N1.

To teacher with platonic love

From Miss Elizabeth Bryant

Sir,—I read with interest the first item in Michael Dixon's Jobs Column (October 15). Since 1968, this Centre has employed more than 3,500 qualified graduate teachers to teach English overseas. We receive more than 2,000 applications a year and the vast majority do not observe Mr Courtis' six basic rules. In view of the present state of the job market for teachers in Britain, we run "Job Finding" seminars as part of our resettlement programme for Centre teachers returning home. In addition to noting the basic rules, we cover the preparation of a CV, writing a letter of application and presenting oneself at interview. Judging from the apparent naivety of some of the questions asked at these sessions, there is obviously a gap in our educational system—and from Mr Courtis' comments there has been for some time—in giving advice on how to apply for jobs.

A related area of interest is the question of references written in support of job applications. We take up confidential references (as opposed to the valueless open testimonial) from two academic or professional referees and we give guideline questions on which they may care to base their replies. Certain Local Education Authorities and employers refuse to write confidential references about their employees. Others simply return our request with "yes—yes—no—sometimes" written beside the guideline questions. A number do not observe Mr Courtis' third and fourth rules on presentation, grammar and spelling. A few, however, do give cause for amusement—my favourite reply to the question "How long, and in what capacity have you known the applicant?" being "For 7 years, of which the last 2 have been platonic." I consider the writing of references to be one of the most important of any employer's responsibilities since not only can it help a worthy employee obtain another job, but it should present a fair and accurate picture to a prospective employer. We ourselves write more than 700 references a year for former employees and as a matter of policy we are prepared to show any employee a copy of his or her reference on request.

(Miss) Elizabeth Bryant,
General Manager,
The Centre for British Teachers,
Quality Court,
Chancery Lane, WC2.

Keeping on the rails

From the Inter-City manager, British Railways Board.

Sir,—Although I may appear to be stating the obvious, in view of Dr Masheder's letter (October 14), I feel I must point out to your readers that the design of BR's Advanced Passenger Train (APT) meets all the requirements for the safe operation of the railway laid down by the Secretary of State for Transport's Railway Inspectorate. There is no question of oncoming APTs colliding if the tilt mechanism fails.

In your paper on Thursday, October 15, you describe the 125 mph electric locomotive, on which BR is about to start design work, as a "Stop-gap train for London to Glasgow route." This is incorrect. Even with a full fleet of APTs in service, there will still be a need for a small number of 125 mph electric locomotives for services for which APTs would be unsuitable or uneconomic.

H. N. Todd.
Euston Square,
P.O. Box 100, NW1.

Peace in the Middle East

From Mr Abdullah Yasamee.

Sir,—Your admirable leader (October 13), having expounded at some length the three measures you would like America to take for the sake of peace in the Middle East, ends with these words: B-52 bombers and Rapid Deployment Forces may have their role, but it is unlikely at this juncture they alone can do anything to promote stability or peace in the Middle East.

These are not only wise but practical words indeed. But the problem, Sir, to use the SDP's now fashionable phrase, is how to break the thought mould of the present American Administration. It is of course feasible, if, for instance, the EEC feels able to bring to bear upon the Reagan Administration the force of its united moral persuasion.

Once it was hoped that there would be a grand meeting of minds in the forum of the Euro-Arab Dialogue. This now seems to have been put in a cold storage, notwithstanding the incontrovertible fact that Crown Prince Fahd of Saudi Arabia made a very important policy statement to help the EEC in its pursuance of its initiative under the Venice Declaration.

Abdullah Yasamee.
49, Queens Road, SW19.

Value of a good barker

From Mr Roland Williams.

Sir,—We read with horror the suggestion of Mr Farmer (October 15) that dog licenses be raised to £500.

In our business of shipbroking we badly need the service of loud barking mutts to protect our few remaining assets as insurance premiums have now risen so high that we can only afford to insure a minimum of our household goods.

Maybe, they are more honest in the Mersey area than down in London but there is no doubt in our minds that the presence of a large, noisy dog is worth any sophisticated lock and alarm system.

Put up the licenses by all means, may we suggest to £20? And then ensure that the proceeds go to the provision of doggy loos and dog wardens with authority to issue barking tickets for misfires.

But let us not be panicked by heaps of ordure on the pavements to such desperate measures as proposed by your correspondent as such an amount would only be yet another source of income to be misused by successive Governments.

Roland Williams,
1, Leadenhall Street, EC3.

Marks and Spencer jumps to £86m for first half

A 24.8 PER CENT jump in pre-tax profits from £68.9m to £86m is reported by **Marks and Spencer** for the 26 weeks to September 26, 1981, on total sales some 14 per cent higher at £963.1m, against £845.5m.

UK profits rose from £69.5m to £85.5m on sales of £890.5m (£788.7m), while the European contribution improved from £0.3m to £1.1m and turnover from £15.7m (£19.6m). Canadian losses were reduced to £0.6m (£0.9m) from £42.3m (£30.2m) sales.

Results of overseas subsidiaries have been consolidated using exchange rates ruling at September 26 1981. But because of the recent weakness of sterling, Canadian exchange rates in particular are materially different from those last year and this has distorted comparative figures.

Expressed in Canadian dollars, sales in Canada increased by 9.1 per cent and losses were 51.1 per cent lower than last time.

A breakdown of group sales for the period shows: UK stores—clothing and other merchandise £550m (£502.9m) and foods £340.5m (£285.8m); European stores—clothing and other merchandise £16m (£13m) and foods £3.6m (£2.7m); Canadian stores—clothing and other merchandise £39.4m (£28.3m) and foods £2.9m (£1.9m). Direct exports totalled £10.7m (£10.9m).

The net interim dividend is being raised from 1.5p to 1.75p per 25p share—an increase of 16.7 per cent. Last year's total payment was 3.8p on pre-tax profits of £181.2m.

First-half group trading profits advanced from £75.6m to £95.2m. These were before charging depreciation of £11.3m (£9.5m) and interest payable of £7.1m (same), and before crediting interest receivable of £8.4m (£8.8m) and £0.8m (£1.1m) profit on the sale of fixed assets.

Tax charge was up from an adjusted £31.7m to £41.1m and including minorities of £0.3m (£0.4m) the attributable surplus came through around 20 per cent ahead at £45.2m, against £37.6m. Stated earnings per share rose from 2.89p to 3.46p.

Current cost earnings per share were 3.14p (2.55p) and pre-tax profits £81.3m (£64.3m).

See Lex

HIGHLIGHTS

The Government has set in motion plans to sell off the majority stake in **BNOC** and to seek powers to privatise the offshore oil interest of **British Gas**. Having looked at the implications of these decisions Lex moves on to consider the results of two High Street retailers. **Marks and Spencer** reports an impressive 25 per cent growth in pre-tax profits for the half year, though the specialist **Mothercare** chain is showing the ravages of stiffer competition. The column then moves on to examine the half-time report from **Gerrard and National**, where the company has done well to show profits given the move in interes rates, though profits are well short of last year. Finally Lex comments on the buy-out proposals for the **National Freight Corporation.**

Reverse at Rock Darham

A TURNROUND from a pre-tax profit of £172,219 to a loss of £205,531 is reported by **Rock Darham** for the six months to June 30 1981 on turnover well down at £560,591, compared with £1.05m.

The directors say however that although high interest rates prevail there is an indication of an improvement in trading. They are confident that action taken will minimise the loss for the second half and that the company will return to profitability in 1982.

They say the first-half result reflects the unprecedented destocking which began in the middle of 1980 and led to price cutting and severe competition.

Tax recoverable in the first half amounted to £58,320 (nil) after which there was a loss per 10p share of 2.12p, against earnings of 2.47p.

Mr J. A. Darham and his family own approximately 51 per cent of the equity of the company which has interests in motor dealing and engineering parts and air purification. The London Trust Company has a 16.67 per cent stake.

Mr P. S. Wright has been appointed non-executive chairman and Mr N. J. Foley and Mr R. Levett have been appointed non-executive directors.

Bryant up to £8.6m and this year starts well

TAXABLE PROFITS of **Bryant Holdings** increased to £8.64m for the year ended May 31 1981 compared with £7.91m previously which was after crediting an exceptional write back of £1.35m. Turnover moved up from £82m to £85m.

Mr A. C. Bryant, the chairman, says the record results have been achieved largely from the continued success of the group's private housing activities helped by increased earnings from property development. The board considers the results "very creditable."

The chairman states that the recent rise in interest rates and other uncertainties makes it impossible to forecast the outcome of the current year, but he reports that the group has made a very good start to the period.

Operating profits for the year advanced from £5.61m to £7.29m. Net property revenue totalled £1.22m (£0.89m) and the share of associates' profits rose by £78,000 to £132,000.

There was a tax credit of £3.82m (£3.58m charge) arising from the write back of £6.7m deferred tax provision, and as a result, attributable profits leapt from £4.34m to £12.46m.

Stated earnings per 25p share were 14.3p (10.8p adjusted for scrip) excluding the deferred tax write back, and 31.1p including the same. The year's dividend is stepped up from an equivalent 2.5p to 3.35p net per share, with a final of 2.5p (adjusted 1.75p).

Dividends absorb £1.35m (£1.01m) leaving a retained surplus of £11.11m (£3.32m).

The group has continued to make additions to its land bank which now stands at £23m (£21m). It is valued at the lower of cost and net realisable value and in the board's opinion the present market value is well above this figure. Without quantifying this excess, the group balance sheet shows a book asset value of 97p per share.

The continuing attention given to cash flow has resulted in a significant improvement in liquid resources. The balance sheet shows a net credit of £1.2m in respect of bank balances and loans, compared with net borrowings last year of £6.3m.

On a current cost basis, pre-tax profits are shown as £7.07m but the board considers the figure does not have great significance.

● comment

Bryant can thank an approximate £400,000 fall in interest charges and a contribution worth perhaps £300,000 from construction (after breaking even in the previous year) for much of the rise in operating profits. Housebuilding margins were just about maintained and, crucially, the group again completed some 1,700 units. The outlook for the housing market is impossibly confused but, although the prognosis must be gloomy, a reasonable case can be made for staying with the shares. Net rental income rose by 37 per cent in the year and is set to rise to, say, £1.5m. Cash balances have been swollen by a further £1m or thereabouts since the balancesheet date while, at 68p, up 3p yesterday, the discount on asset backing is a cautious 30 per cent. And as a housebuilder, Bryant is rated at 6.3 times historic fully-taxed earnings and offers a yield of 7.3 per cent on an amply covered dividend.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
BPM Hldgs	4.19	Dec 5	3.81	5.78	5.25
Bryant Hldgs	2.5	—	1.75*	3.35	2.5*
A. F. Bulgin ......int	0.58†	Nov 30	0.58	—	1.35
Gerrard & National...int	5	Dec 9	5	—	14
Lowland Invest	2.6	Dec 21	2.15	4.35	3.75
Marks and Spencer...int	1.75	Jan 15	1.5	—	3.8
Mothercare ......int	1.62	Jan 4	1.62	—	4
New Throgmorton ...int	1	Jan 15	1	—	2
Prestwich Parker	Nil	—	Nil	Nil	0.5
Wellco Hldgs	0.6	Jan 1	0.6	1	1
United Friendly ......int	2.75	Dec 2	2*	—	6.25*

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Expansion for North Sea Assets

Revenue before tax of North Sea Assets, an unlisted investment company, improved from £450,000 to £790,000 for the year to September 30, 1981, after interest, expenses and depreciation lower at £509,000 compared with £751,000.

Tax rose to £384,000 (£156,000) leaving the net balance at £406,000 (£294,000)—for stated earnings of 3.38p (2.45p) per share. The dividend is being stepped up from 2p to 2.5p per 50p share.

The balance sheet shows investments (including Gilts) of £22.04m (£16.11m) and net current assets and deposits at £629,000 (£5.32m).

Net asset value per ordinary share at year end was 206.09p (171.92p) a rise of 20 per cent.

As previously announced application will be made to the Stock Exchange towards the end of October for the company's shares to be listed by which time the company should qualify as an approved investment trust.

Earnings up at Lowland Investment

Stated earnings per 25p share at Lowland Investment Company rose from 4.39p to 4.68p on gross income up at £694,546, against £531,898, for the year to September 30 1981.

The net dividend total is lifted to 4.35p (3.75p) by a 2.6p final. At year end investments stood lower at £7.54m, compared with £7.71m but net asset value emerged ahead 4.2p at 94.6p.

Gross income was shown before interest charges of £117,738 (£79,761), management expenses of £35,149 (£31,939) and tax £176,821 (£176,490). Dividends absorb £340,530 (£293,560).

BPM suffers sharp drop

A SHARP drop in pre-tax profits was shown by **BPM Holdings**, newspaper printer and publisher, from £5.74m to £2.57m. Sales for the year ending June 27 1981 were higher at £77.89m compared with £67.89m.

The net final dividend is being lifted from 3.8125p to 4.19375p bringing the year's total up to 5.775p (5.25p). Earnings per £1 ordinary share are given as 58.7p, which is down on the previous 113.2p.

The pre-tax result is shown after including other income lower at £379,000 (£558,000), interest payable increased at £601,000 (£234,000) and the share of profit from associated companies lower at £249,000 (£404,000).

The current cost pre-tax figure is given as £1.05m.

Taxation was much lower at £107,000, compared with £981,000. Minority interests were down, taking £61,000 (£187,000).

● comment

The swings of the employment cycle are grossly magnified in the profit-graphs of companies which live off the job market. In the depths of recent cycles, profits from BPM s daily papers have normally fallen to about one-sixth of the previous peak. This time—emphasising the severity of the recession—the fraction is much closer to a tenth of the £4m earned two years ago. BPM has sought to dampen this volatility by extending its retail interests which, however, have obliged with only marginally higher profits of just over £1m. Even here, the greetings card shops have been feeling the pinch, while the TDC chain of newsagents has been unable to achieve the bounce in profits which it delivered in earlier troughs. Since the daily papers earned their meagre profit almost entirely in the second half, there is some reason to believe that things are looking up. But the impact of bingo competition and newsprint hikes has yet to be gauged. At 95p—where they yield 9 per cent—the shares stand unobtrusively on about six times net earnings. (Tax has been virtually eliminated by heavy spending on new print technology.)

Glanfield losses down to £116,000

A small reduction in pre-tax losses for the six months to March 29 1981 was shown by *Glanfield Lawrence*, motor vehicle distributor and engineer, from £132,000 to £116,000. Turnover was higher, rising from £4.82m to £5.18m.

The group has experienced better trading results in the second half, says the chairman. While a loss before tax is anticipated for the full year, this will be substantially lower than that incurred in the previous corresponding period.

There is no interim dividend (same). The last payment was 1.25p net for 1978-79. In the last full year pre-tax losses were £203,505 (profit £156,165) on turnover of £9.82m (£10.75m).

The pre-tax loss for the first half of the current year was struck after interest charges of £157,000 (£153,000). There was a tax credit of £128,000 (£70,000).

MANN EGERTON

The proposals concerning the holders of the 1,192,465 7½ per cent cumulative preference shares and the 1,094,000 8 per cent unsecured loan stock 1990-1995 of Mann Egerton have been approved at appropriate meetings of Mann Egerton and Inchcape.

Because of delays in completing the Court procedure, the scheme relating to the Mann Egerton preference shares is now expected to become effective on October 30.

Prestwich Parker losses worsen in second half

WITH TRADING conditions remaining extremely difficult, demand low and prices depressed by intense competition, **Prestwich Parker Holdings** plunged to a pre-tax loss of £469,907 for the year to June 30 1981 compared with a profit of £36,357.

The losses accelerated in the second half—at mid-term the group incurred a pre-tax deficit of £157,563 (£82,118 surplus) after charging redundancy payments of £53,415. In their interim statement the directors said a return to profit in the second six months was unlikely although progress had been made in reducing both overheads and borrowings.

They say now that since the year end the structure of the company has been reorganised and third operating subsidiary—Eurothreads, a specialist supplier of all types of industrial fasteners—has been established.

Liquidity, they say, has further improved in the first quarter of the current year

The final dividend, like the interim, is being omitted—for 1979-80 an interim of 0.5p net was paid but the final was passed.

The taxable loss for the 12 months was struck after exceptional debits of £129,519 (nil). There was a tax credit of £472,587 (£18,278 charge) leaving an attributable profit of £2,680 (£18,079).

Despite manning levels having been reduced in November 1980 further redundancies had to be implemented in March 1981 and in the second half of the year an aggressive destocking programme was instigated.

Although it was known that only poor prices could be obtained, this action, together with the proceeds of the rights issue in January 1981 . . . has enabled the company to emerge at June 30 1981 with "all borrowings eliminated."

Row develops over sale price of Mrs Mason's Illingworth shares

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A ROW has developed over the price at which Mrs Pamela Mason has agreed to sell the controlling interest in Illingworth Morris, the world's largest woollen textile business.

Mr Michael Essayan, QC, for Mrs Mason's half-sister, Mrs Isabella Blench, said in the High Court yesterday that the proposed sale caused her great concern.

He asked that a receiver be appointed by the court to investigate the agreements to see if there were grounds for setting them aside.

Mr Justice Dillon refused the application, saying that there was no evidence that the sale price was improper.

The agreements were announced on Friday during a court hearing at which injunctions were sought stopping Mrs Mason using the votes attached to the 46 per cent of Illingworth shares she controls as executrix of the estate of her father, Mr Isadore Ostrer, to remove the company's joint chief executives.

An Isle of Man company, Abele, is to pay £707,718 for 19 per cent of Illingworth's voting shares and 14 per cent of the non-voting shares, the deal to be completed within 90 days.

Abele also has six-month options to acquire the estate's dominant holdings in Lothbury Investment Corporation and LOG Trust, which between them hold 27 per cent of Illingworth, for £327,908. The option period will be extended if the legal wrangles over the company's control are not resolved within six months.

Mr Essayan said Abele was to pay less than 12p per share. On Friday the market price was 19p for the voting shares and 10p for the non-voting.

Only recently Mrs Mason rejected an offer of 18½p for the voting shares and 17½p for the non-voting, made by Hill Samuel and Co., Illingworth's financial advisers, on behalf of a number of major City institutions.

Mr Essayan said that the Abele price was unlikely to be sufficient to pay estate duty, estimates of which ranged from £640,000 to more than £1m.

He was also concerned that a receiver, rather than Mrs Mason, who lives in California, should handle the proceeds of the sales, to ensure that the money stayed in the UK and was used to discharge the estate's debts in the proper order.

The judge said that the sale price was undoubtedly lower than the stock's probate and current market value, and lower than the price it had been hoped to realise.

But it was undisputed that latterly Illingworth had made losses and had to charge its assets to its bankers.

Mrs Mason had undertaken to keep the sale proceeds in the UK. Mrs Blench needed no further protection pending the hearing of her court application for th appointment of a judicial trustee to take over the administration of the estate from Mrs Mason.

That application, originally fixed for next May, is now likely to come to court in about a month.

Reorganisation at Viners

Following the takeover of Viners, the first phase of a re-organisation programme is now being implemented which will save over 100 jobs and ensure continued production in Sheffield.

The views of all production employees have been obtained and, following meetings between management and workforce, new terms of employment are being issued to those remaining with the company.

The net result of the re-organisation of production will be annual savings of over £350,000 which will take effect immediately.

The company was taken over by a consortium in August.

Growth for New Throgmorton

A RISE in pre-tax profits was shown by The New Throgmorton Trust from £585,272 to £653,516 for the six months to September 30 1981. Gross revenue rose from £700,042 to £772,939.

The interim dividend is being held at 1p. The net asset value was lower at 225.73p compared with 299.97p at year end and stated earnings per share were slightly improved at 1.136p (1.018p).

Half-time tax took £208,875 (£186,845). Undistributed revenue rose from £7,224 to £53,269.

Bulgin midway profits dive

TAXABLE profits dived at **A. F. Bulgin**, manufacturer of electronic and electrical components, from £611,000 to £178,000 for the half-year to July 31 1981 on turnover reduced from £2.94m to £2.43m.

The directors hope that 1982 will show an improvement on the manufacturing front, that distribution will maintain a steady growth, and that the substantial investments in the energy sector will produce the profits estimated. "These factors should see a return to profit levels expected a year or so ago."

For the current year the interim dividend is maintained at 0.58p net on the increased capital. Stated earnings per share fell to 0.3p (1.18p). The tax charge for the half-year was down to £93,000 (£318,000).

UK COMPANY NEWS

Foraky boosts Bestwood

MAINLY because of a change in the pattern of dividend distribution from its interest in Foraky, Bestwood Co. was able to show a sharp advance in taxable profit from £38,927 to £150,210 for the first half of 1981.

At the trading level the investment holding company showed a loss of £11,808 (£27,161 profit) arising chiefly from a downturn in activities at its wholly owned subsidiary John Brown (Printers) where conditions remain difficult. Turnover fell from £410,749 to £343,830.

Income from investments and interest, however, jumped to £161,819 (£11,766) reflecting the policy change at Foraky, the drilling, ground freezing and mining contractor in which Bestwood has a 24.6 per cent stake.

Because of improvement in its financial resources Foraky has accelerated the date of payment of dividends. Two interim payments, amounting to £147,000 gross, have been received by Bestwood for the year to June 30 1981.

Bestwood's directors say that no further Foraky payments for 1980-81 are expected nor will any current year interim be received before December 31 1981. "In this event dividends referred to may be compared with the £117,000 included in the 1980 accounts."

The present order book at Foraky reflects the recession in the UK but abroad its business continues to expand satisfactorily, the Bestwood directors report.

Stated half year earnings per 15p share at Bestwood reached 6.67p (1.08p) after tax of £46,110 (£22,885). The trading loss was after depreciation of £12,100 (£11,726) and crediting a £521 (£9,300) surplus on sale of plant.

NATIONWIDE YEARLINGS

Nationwide Building Society has issued £5m in yearling negotiable bonds. The gross equivalent rate of interest is 16.25 per cent, and the net payment 11.375 per cent. The bonds were placed by Fulton Packshaw, Laurie Milbank and Rowe and Pitman.

Mothercare down by 18% as U.S. losses increase

THE IMPROVEMENTS mentioned in the last annual report are taking time to achieve at Mothercare, the Watford based group which describes its activities as everything for the mother-to-be and her baby and children up to 10.

For the 26 weeks to September 23 1981, pre-tax profits have fallen by 18 per cent from £8.05m to £6.6m, while total sales, excluding VAT, showed only a marginal rise to £83.73m, compared with £83.6m.

In the UK, where new stores were opened at Crawley, Cumbernauld, Dumfries, Rugby and Southport, and another one resited, sales fell by 2 per cent to £65.68m and trading profits by 11 per cent to £7.17m. In Europe, sales were down 19 per cent at £8.11m, but profits rose by 38 per cent to £324,000.

In the U.S., however, where 23 new Mothercare stores were opened and five Mother-To-Be shops were closed as planned, sales advanced by 44 per cent to £9.95m although losses increased from £0.35m to £1.11m.

At the annual meeting in June, Mr S. K. Zilkha, the chairman, said that UK sales for the first 12 weeks were down by 3.2 per cent and for the first 15 weeks those in Europe were 21.3 per cent lower but in the U.S. sales were ahead 30.8 per cent in sterling terms.

After tax down from £4.04m to £3.71m, group net profits for the half-year dropped by 28 per cent from £4.02m to £2.89m. Stated earnings per 10p share decreased to 4.48p (6.23p), but *the interim dividend is being* kept at 1.62p net, against costing £1.04m.

Last year, the group paid dividends totalling 5p per share from pre-tax profits of £18.07m (£22.28m).

The first-half pre-tax profits included investment income, less interest paid, of £253,800 (£397,600) and a surplus of £211,000 (£75,000) on the disposal of properties.

The number of stores trading at the end of the half year had increased from 380 to 417. These *included* 193 (186) in the UK, 26 (same) in Europe and 198 (168) in the U.S.

See Lex

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Estate Duties Investment Trust, Walter Lawrence, F. J. C. Lilley.

Finals: Ductile Steels, Medminster, Paterson Zochonis, Peachey Properties, Rand Mines Properties, Saga Holidays.

FUTURE DATES

Interims—	
Ambrose Investment Trust	Nov 4
Arbuthnot Sterling Fund	Oct 30
Ellis and Goldstein	Nov 3
Harrisons and Crosfield	Oct 27
Hartwells	Nov 3
Leaderflush	Oct 23
Mettoy	Oct 23
Photax (London)	Oct 22
Tozer Kemsley and Millbourn	Nov 3
UBM	Oct 30
Wace	Nov 5
Finals—	
Bailey (Ben) Construction	Oct 29
Hepworth (J.)	Oct 30
Tyzack (W. A.)	Nov 4
Ulster Television	Nov 6

Gerrard & National setback

FIRST HALF profits at Gerrard and National, discount house and banker, fell far short of the high level achieved in the comparable period last year.

The directors say it has been a turbulent time for all financial markets, culminating in the second half of September with one of the sharpest ever rises in UK interest rates. In these unfavourable conditions only a small profit has been made.

The interim dividend is unchanged at 5p.

See Lex

Lloyd's Life Assce. has good year

Excellent new life and pension business is reported by Lloyd's Life Assurance for its financial year ended September 30, 1981. New annual premiums rose by one-quarter from £5.4m to £6.8m, with good growth in the ordinary linked contracts. Sales of Maximum Investment Plans increased over the year from virtually nil to £445,000.

Single premium business climbed nearly 50 per cent from £8.75m to £12.8m, thanks to buoyant sales of investment bonds which increased from £7.13m to £11.05m. Non-linked single premiums, mostly annuities and some guaranteed income bonds, improved marginally from £1.62m to £1.72m.

Its offshore subsidiary, Lloyd's Life Assurance (Isle of Man), also had a good year with annual premiums expanding from £400,000 to £1m and single premiums improving by 17 per cent from £8.5m to £10m.

The share capital of Lloyd's Life is held by various underwriting members of Lloyd's.

Wellco falls to break even

THE MODEST upturn in trade indicated by Welco Holdings at midyear was not sustained and pre-tax profits for the year to June 30, 1981 plunged from £599,687 to just £4,245.

The directors say the results for the last quarter were the worst of the current recession—for the second six months the group incurred a taxable loss of £80,755, compared with a surplus of £263,687.

They say that although measures to reduce costs and improve margins are continuing, which will lead to an improvement on profits and liquidity, "the Government's methods of trying to control inflation are severely inhibiting consumer demand on which the group relies so heavily"—its interests include the manufacture and distribution of electrical components and industrial property development.

Turnover for the year declined from £12.01m to £11.54m and interest charges rose sharply to £264,604 (£130,250).

There was a tax credit of £105,575 (£128,764 charge) and after a credit for tax provisions no longer required of £150,823 (nil) and minority debits of £76,627 (£71,940) the attributable balance emerged at £253,016, against £414,087—last year's figure included a surplus of £15,104 from a property sale.

Stated earnings per share came through lower at 2.14p (3.39p) but a same-again final dividend of 0.6p maintains the total at 1p per 5p share.

On a CCA basis the pre-tax profit is turned into a loss of £108,000 (£357,000 profit) and on the same basis earnings per share are given as 1.19p (1.32p).

The directors say the results reflect the very depressed market conditions in which the group had to operate over the past year. Trade continues to be dull—"occasional periods of improvement have so far proved to be short lived.

The historical taxable profit was after an exceptional debit of £40,000 which was payment to a former director by way of damages for early termination of his service contract.

Adwest Group improved profitability this year

BUDGETS FOR this year, based on current requirements, show an improvement in profitability for Adwest Group, says Mr Frank Waller, the chairman, in his annual statement.

"Within our companies we believe the recession has bottomed out," says Mr Waller, "*and in certain directions there* are signs of an improvement." All the divisions are now operating profitably and efficiently, and any improvement in the economic position would be vary beneficial, he adds.

As reported September 26, pre-tax profits fell from £8.29m to £5.45m.

One of the worst hit sections of the engineering industry was automotive products, with cars, tractors and trucks all badly affected. The lack of demand meant large scale group redundancies and the closure of some factories. Most of the automotive companies are back in the black, but at a reduced trading level.

The lower rate of spending by industry on capital goods meant the group had to cut production in its electrical division. During the year, its subsidiary, Mawdsley, bought Standby Power Systems, and the new company formed is budgeted to make a contribution to profits.

At the end of the year the group had a cash balance of £592,000 in spite of the high costs of factory closures and redundancies, and also the con*tribution to a new link road for* an aerodrome development. The major expenses of the airfield development are over, and the company expects increased income from rents and from the sale of houses.

Group fixed assets at the end of the year stood at £21.02m (£18.04m). Net current assets were £14.77m (£17.59m). Bank overdrafts moved from £128,000 to £1.32m. Shareholders' funds emerged at £35.71m (£34.48m).

Major reorganisation expenses were shown at £1.67m (£813,000). There was an increase in the purchase of interests in subsidiaries from £69,000 to £1.3m. The movement in net liquid funds changed from an increase of £269,000 to a decrease of £4.63m.

The anual meeting will be held at Hamilton Place, W. November 6 at noon.

COMPENSATION FOR LITHGOW

The Bank of England announces the issue of about £3.38m of 10 per cent Exchequer Stock 1983 is being made as compensation due in respect of the unquoted securities of Scott Lithgow Drydocks. The issue will be made at the rate of £100 Exchequer Stock per £90$\frac{1}{16}$ compensation.

The Stock will rank for a full six months' interest on December 12 1981. A special interest payment will be made covering the period from July 1 1977 to June 12 1981.

Receivers in at underwear manufacturers

Lovable and Pagan, the Cumbernauld-based ladies underwear manufacturers have gone into receivership. Lovable employs a total of 530 people of whom 450 work in Scotland.

Mr Christopher Morris and Mr Tony Houghton, partners in Touche Ross and Co., chartered accountants, have been appointed receivers and managers.

The companies will continue to trade while the receivers assess the position. The receivers said that interest was already being shown by possible purchasers of the two companies by both foreign and UK companies.

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May. Vol.	May. Last	Stock
GOLD C	$425	2	27 A	10	59 A	—	—	$436.50
GOLD C	$450	8	13	5	35 A	—	—	"
GOLD C	$475	2	7	—	—	10	42	"
GOLD P	$500	11	4	—	—	—	—	"
GOLD P	$550	1	1	—	—	—	—	"
GOLD P	$400	15	4	20	7	—	—	"
GOLD P	$425	20	8 B	—	—	—	—	"
GOLD P	$450	—	—	3	25	—	—	"
		Jan.		April		July		
AKZO C	F.20	10	3	—	—	—	—	F.21.20
AKZO C	F.22.50	10	1.20	10	2	—	—	"
AKZO C	F.25	12	0.50	—	—	—	—	"
AKZO C	F.27.50	150	0.20	—	—	—	—	"
AKZO P	F22.50	84	2	—	—	5	2.60 B	"
AMRO C	F.55	5	1.70	—	—	—	—	F.53.60
AMRO C	F.60	5	0.40	—	—	—	—	"
HEIN C	F.55	2	0.80	10	2	—	—	F.45.20
HOOG C	F.15	—	—	2	1.80	—	—	F.14.50
HOOG C	F17.50	3	0.60	103	1	—	—	"
IBM C	$50	10	3⅜	—	—	—	—	$51
IBM C	$55	11	1½	—	—	—	—	"
IBM P	$50	—	—	2	2	—	—	"
IBM P	$55	10	4⅛	—	—	—	—	"
KLM C	F.80	—	—	4	20.80	—	—	F.92
KLM C	F.90	21	10.50	—	—	—	—	"
KLM C	F.100	67	6.50	43	11 A	—	—	"
KLM C	F.110	17	4	35	8	—	—	"
KLM C	F.120	56	2.50	59	5	—	—	"
KLM C	F.130	9	2	—	—	—	—	"
KLM C	F.140	5	1	—	—	—	—	"
KLM C	F.150	114	0.70	—	—	—	—	"
KLM P	F.80	48	2.10	—	—	—	—	"
KLM P	F.90	48	4.80	—	—	—	—	"
NEDL C	F.130	8	14.50	—	—	—	—	F.135.50
NEDL C	F.140	—	—	10	14	—	—	"
NEDL C	F.150	50	4.40 A	—	—	—	—	"
NEDL C	F.160	149	2.50	—	—	—	—	"
NEDL C	F.170	5	2	—	—	—	—	"
NEDL P	F.130	25	3	—	—	—	—	"
NEDL P	F.140	13	8.20 B	—	—	—	—	"
NEDL P	F.150	14	16 B	—	—	—	—	"
NEDL P	F.160	5	24.80 B	—	—	—	—	"
NATN C	F.110	12	4.50	—	—	—	—	F.109
NATN C	F.115	—	—	2	3.90	—	—	"
NATN C	F.125	2	0.70	—	—	—	—	"
PHIL C	F.17.50	—	—	2	3.90	5	4.40	F.20
PHIL C	F.20	6	1.30	133	2.40	—	—	"
PHIL C	F.22.50	238	0.60	87	1.30	8	2	"
PHIL C	F.25	46	0.30	55	0.40	—	—	"
PHIL P	F17.20	—	—	—	—	10	0.90	"
PHIL P	F.20	42	1.40	—	—	—	—	"
POLA C	$25	8	—	—	—	—	—	$ 20$\frac{1}{16}$
POLA C	$30	—	—	10	$\frac{1}{16}$	—	—	"
RD C	F.70	5	8.30	—	—	—	—	F.74.10
RD C	F.80	30	3.50	6	6	59	7.70	"
RD C	F.90	13	1.30	2	3.10	—	—	"

TOTAL VOLUME IN CONTRACTS 2303

A=Asked B=Bid C=Call P=Put

SPAIN

October 15	Price %	+ or —
Banco Bilbao	351	−3
Banco Central	338	−3
Banco Exterior	310	
Banco Hispano	315	−2
Banco Ind. Cat.	118	
Banco Santander	389	+1
Banco Urquijo	240	
Banco Vizcaya	372	+3
Banco Zaragoza	232	−3
Dragados	173	
Espanola Zinc	74	−1
Fecsa	70.2	−0.8
Gal. Preciados	51.5	
Hidrola	76	−0.2
Iberduero	58	−0.2
Petroleos	105.7	−1.3
Petroliber	83	
Sogefisa	51	
Telefonica	79	
Union Elect.	73	−1

THE TRING HALL USM INDEX

109.2 (+0.2)

at close of business 19/10/81

BASE RATE 10/11/80 100

Tel: 01-248 5675

CORAL INDEX

Close 459-464 (−1)

OIL INDEX

December Refined $43.60

January Refined $44.05

BOND DRAWING

Companies and Markets

MINING NEWS

MIM boosts reserves of coal and metal ores

BY KENNETH MARSTON, MINING EDITOR

BIG INCREASES in coal and metal ore reserves and a determination to press ahead with a A$1bn (£625m) investment in coal production despite a series of disputes with the Australian authorities feature the latest annual report of the MIM Holdings mining giant.

David Tonge reports from the Mount Isa mining province of Queensland that MIM accuses the authorities of "changing the rules after the game has started" but insists that it will continue its recent diversification from production of copper, lead, silver and zinc. It is aimed to export some 9m tonnes of coal annually by 1985.

The Australian Government has recently put a levy on steaming coal exports, extended the minimum depreciation term for mines from six to 10 years and threatened a sales tax on building materials.

Further, the Queensland Government has angered the companies seeking to develop coalfields around the Bowen Basin by giving them a bill for A$149m to upgrade roads.

MIM's steaming and coking coal reserves are estimated at a massive 3.5bn tonnes and the company is involved in three of Queensland's seven major coal projects—Oakey Creek, Newlands and Collinsville—and proposes "to become a major coal producer and exporter by the mid-1980s."

A recalculation of the group's metal ore reserves shows that proven copper ore reserves at the Mount Isa mine are 75m tonnes grading an average 3 per cent copper plus a further 70m tonnes of probable reserves grading 3 per cent and a possible 35m tonnes at 2.9 per cent.

Silver, lead and zinc ore reserves are put at 46m tonnes proven and a further 9m tonnes possible. The new Hilton mine is thought to hold 45m tonnes of probable reserves of silver, lead and zinc ore, while a similar "possible" total is given for the Hilton North orebody.

In order to help fund its major expansion programme MIM is negotiating with local and international bankers for additional working capital. But the raising of new loan funds may not preclude a rights issue to raise new equity capital in the short term.

In the year to June 30 MIM's net profits were almost halved at A$106m because of weak metal prices, notably copper, and the results now due for the following 12 weeks are expected to make a poor showing. However, the group is confident that it is well positioned for the future.

"The company has a good balance of existing efficient operations; new projects, particularly in coal; investments in other producing operations and an active exploration programme."

Furthermore, the recently acquired stake of 16 per cent in America's Asarco—the latter is cutting its stake in MIM to 44 per cent—gives it an interest in another major group which stands to benefit greatly from an eventual recovery in metal prices. MIM shares eased 10p to 214p yesterday.

Gold Fields now has 11.4% of Newmont

A FURTHER purchase of 759,200 shares in America's Newmont Mining by Amcon brings the total held by London's Consolidated Gold Fields group to 2.96m, or 11.4 per cent of the U.S. natural resource group. The latest purchase was made directly from a non-U.S. financial institution at a price of $64 per share.

Rejecting Gold Field's advances, Newmont has started a U.S. court action against Amcon, Gold Fields, Anglo American Corporation, De Beers and Minerals and Resources Corporation seeking an injunction against the defendants under anti-trust and securities laws in connection with the Newmont share purchases.

However, at a conference regarding the application on October 16, the U.S. District Judge William C. Connor did not sign the temporary restraining order. He suggested that counsel for the parties work out a compromise pending a hearing on a preliminary injunction motion.

The motion would limit purchases of Newmont shares to a level to be agreed upon and prevent Gold Fields from seeking representation on Newmont's board or interfering with its management.

In the U.S. yesterday trading was suspended in shares of Newmont.

Durban Deep lifts gold profit

SURPRISE NEWS in the September quarterly reports of the South African gold mines in the Rand Mines group is that the marginal Durban Deep has boosted its profit despite the lower average gold price obtaining during the period.

Gold prices received by individual mines during any given quarter tend to vary in line with the timing of sales, but another variation in the picture is the U.S. dollar-South African rand exchange rate.

This has worked to Durban Deep's advantage because while the average dollar price received for the mine's gold last quarter dropped to $429 per troy ounce from $475 in the previous three months, the payment in South African rands was slightly higher than that for the previous period.

More importantly, Durban Deep increased both the amount of ore milled and the gold grade of the ore treated during the past quarter. As a result, more gold was produced and the cost per tonnes of ore milled fell. What remains to be seen is whether the veteran mine will be able to maintain these improvements during the current quarter.

The other marginal gold producer in the group, East Rand Proprietary Mines, has had none of these advantages. And with reduced gold prices received, both in terms of rands and dollars, the September quarter profit is predictably lower.

Nor have matters been helped at ERPM by the adverse effects on production of an underground fire and a severe power failure. However, the fall in profits has been cushioned by the receipt of state assistance.

Although Blyvoor has increased its gold output in the latest quarter the combination of a loss on uranium and slightly higher tax has left the mine with a reduced profit. Harmony has received lower income from by-product uranium and the mine's total net profits have declined accordingly.

The latest quarterly net profits of the mines are compared in the following table.

	Sept qtr R000	June qtr R000	March qtr R000
Blyvooruitzicht ...	17,042	17,606	17,457
Durban Deep	7,950	4,716	4,137
East Rand Pty. ...	*6,780	10,004	8,509
Harmony	23,107	28,469	28,846

* After receipt of State assistance.

Golden Rabbit

A BREATH-TAKINGLY high gold value is reported from latest drilling at the intriguing Rabbit Warren gold prospect at Leonora in Western Australia. Bond Corporation reports an assay of no less than 7,900 grammes (254 ounces troy) gold per tonne over a one-metre intersection.

Repeat assay values on this intersection showed 7,430 grammes per tonne and 1,638 grammes per tonne according to Mr Alan Birchmore, a director of Bond Corporation.

The hole, 10 metres east of the original discovery and designated RC22, made the intersection at a depth of some 30 metres.

The 34 to 42 metre section of the same hole assayed an average of only 5.1 grammes per tonne.

What remains to be seen, however, is whether Rabbit Warren contains enough ore of a sufficiently good overall grade to justify a mine or whether it contains only isolated rich

ROUND-UP

The proposed reconstruction of Petroleum Securities Australia (PSA) will involve the distribution of 4.43m Hartogen Energy shares to holders of PSA in the ratio of 82 Hartogen for every 300 PSA held; the consolidation of PSA shares of 5 cents into shares of 20 cents; and a one-for-four issue of new PSA shares at a premium of A$7.80 (480p). Shares of PSA, which has a 10 per cent stake in the Blina 1 oil discovery in the Canning Basin, were 365p yesterday.

LONDON TRADED OPTIONS

Oct. 19. Total Contracts 1,447. Calls 1,001. Puts 446

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP (c)	260	50	—	44	2	54	—	285p
BP (p)	280	10	4	30	2	36	—	"
BP (p)	300	2	2	20	37	26	—	"
BP (p)	320	1	20	10	—	—	—	"
BP (p)	260	¾	10	10	—	12	1	"
BP (c)	280	5	2	16	—	24	—	"
BP (p)	300	16	2	24	3	34	—	"
BP (p)	320	34	100	34	—	—	—	"
CU (c)	140	2	—	9	1	16	2	152p
CU (c)	160	¾	—	5	2	9	8	"
CU (c)	200	¼	1	1½	—	2½	—	"
Cons. Gld (c)	420	70	1	88	—	100	—	486p
Cons. Gld (c)	460	30	2	55	—	75	—	"
Cons. Gld (c)	500	4	4	32	32	48	2	"
Cons. Gld (c)	550	1	—	14	12	28	—	"
Cons. Gld (p)	500	18	—	40	9	48	5	"
Cons. Gld (p)	550	65	—	78	10	80	—	"
Court'lds (c)	50	3	2	7	—	9½	50	51p
Court'lds (c)	60	½	—	2½	50	5	—	"
GEC (c)	550	130	1	—	—	—	—	679p
GEC (c)	600	80	3	—	—	—	—	"
GEC (c)	650	30	1	65	—	90	1	"
GEC (c)	700	5	2	35	—	60	—	"
GEC (c)	800	¼	1	8	—	22	—	"
Gr'd Met. (c)	160	4	11	16	33	22	—	158p
Gr'd Met. (c)	180	¾	—	8	2	14	—	"
Gr'd Met. (c)	220	½	38	3	2	5	2	"
Gr'd Met. (p)	160	35	24	15	41	21	—	"
Gr'd Met. (p)	180	25	2	29	—	33	—	"
Gr'd Met. (p)	220	65	—	65	6	66	—	"
ICI (c)	240	18	—	32	1	38	—	256p
ICI (c)	260	4	40	18	6	26	—	"
ICI (c)	280	1	—	11	—	18	—	"
ICI (p)	240	2	—	12	15	18	2	"
ICI (p)	260	6	20	24	—	28	—	"
ICI (p)	280	26	2	32	1	36	—	"
Land Sec. (c)	260	24	2	32	1	44	—	281p
Land Sec. (c)	288	4	—	14	2	—	—	"
Mks & Sp (c)	100	8	10	14	—	18	—	108p
Mks & Sp (c)	110	1	317	7	2	11½	14	"
Mks & Sp (c)	120	½	—	4½	7	8½	20	"
Mks & Sp (c)	130	¼	2	2	—	5	—	"
Mks & Sp (c)	140	¼	1	1	—	2½	—	"
Shell (c)	300	38	10	60	—	72	—	340p
Shell (c)	330	10	1	32	—	46	—	"
Shell (c)	360	1	—	18	—	26	3	"
Shell (p)	330	5	3	13	8	18	3	"
Shell (p)	390	56	1	56	—	58	—	"
		November		February		May		
Barclays (c)	420	12	—	25	2	33	—	403p
Lasmo (c)	420	67	—	95	—	107	2	462p
Lasmo (c)	500	22	—	47	1	55	1	"
Lasmo (c)	550	12	—	27	1	37	—	"
Lasmo (c)	600	6	2	20	—	24	—	"
Lonrho (c)	70	6	—	9	11	10	24	71p
Lonrho (c)	80	1½	—	4½	20	7	5	"
Lonrho (c)	90	1	—	2½	—	5½	3	"
Lonrho (p)	70	4	4	7	2	12	—	"
Lonrho (p)	80	11	5	15	—	17	—	"
Lonrho (p)	90	20	—	21	—	22	4	"
P & O (c)	100	4½	21	8	—	11	5	97p
P & O (c)	110	2	—	5	2	7	5	"
Racal (c)	360	43	1	62	—	75	—	393p
Racal (c)	390	22	9	42	—	56	—	"
Racal (c)	420	10	8	25	35	38	—	"
Racal (p)	460	2½	—	13	—	22	1	"
Racal (c)	500	1	—	7	1	13	—	"
Racal (p)	360	8	13	20	54	28	—	"
Racal (p)	390	19	19	30	3	38	2	"
Racal (p)	420	37	29	43	31	48	—	"
Racal (p)	460	70	—	73	—	75	1	"
RTZ (c)	500	15	50	37	4	54	—	"
RTZ (c)	550	8	5	24	—	35	1	464p
RTZ (p)	460	20	10	25	—	30	1	"
Vaal Rfs. (a)	60	11	—	15	6	17	—	$68
Vaal Rfs. (a)	70	4	1	7	—	9¼	—	"
Vaal Rfs. (p)	70	5	1	7¼	—	8¼	—	"

C=Call P=Put

Winding up orders

Compulsory winding up orders against 40 companies have been made by Mr Justice Vinelott in the High Court. They were:

PM Footwear Agencies (Rushden), Dubbs Development Company, Dubbs Construction Company, Pillar Induction, S and V Road Contractors, Camaria Investment Company, Lashman (Fashion Centre).

Osmanglow, NF Properties, Vannings Developments, Luckridge London (Building Contractors), Statesman (Bath Plumbing and Heating Centre), Betadec, Probeglen, Warmley Decorators, Willin Writing Services, Wittering Marine, WPC Construction, Lakedeck.

Parkers Estates, Rockmark Travel, TR and Associates, Walsall Livestock, Bromley Houses, Dunton Black Wiring Company, J and A Fleming, Oaka Prinstat, Andre Alexander (Fashions), Concord Instrument Repairs, Gary Andrew.

Heath Diamond (Creations), Adventureland, Raybry Wholesale House, JPM Construction, Veerglow Building, Heritage Marketing, Box and Geddes (Scaffolding Contractors), Bildeston Securities, Brighton Fine and Pine Furniture, Tomex Products.

A compulsory winding up order made on October 12 against Whalecroft has been rescinded and the petition dismissed by consent.

A similar order made on the same day against Antongrade has been rescinded, and the petition adjourned for 21 days, after a supporting creditor was given leave to be substituted as petitioner.

RESULTS AND ACCOUNTS IN BRIEF

M. P. KENT (property development)—Results for year to June 30 1981 reported October 6. Current cost pre-tax profit £2.37m against historical £40.78m. Shareholders' funds £16.08m (£11.71m). Net current assets £15.3m (£11.07m) including bank overdrafts £1.39m (£5.58m). Compensation for loss of office £75,000 (nil). Meeting, Bristol, November 20, noon.

LINK HOUSE PUBLICATIONS—Results for year to June 30 1981 reported September 29 in full preliminary statement. Group net current assets £3.37m (£2.65m) including short-term deposits £4.3m (£2.53m). Fixed assets £1.16m (£0.75m). Net assets £4.58m (£3.42m). Shareholders' funds £4.56m (£3.32m). Chairman says operating profits for the first two months of the current year are at a higher level than in 1980-81. Meeting, Bournemouth, November 12, noon.

FERRY PICKERING GROUP (printing, packaging, publishing)—Results for year to June 30 1981 reported October 2. Current cost pre-tax profits £1.01m (£1.13m) against historical £1.24m (£1.43m). Group fixed assets £2.65m (£2.32m); net current assets £2.69m (£2.44m). Shareholders' funds £5.39m (£4.82m). Chairman says company is currently very busy and its order books extend to the end of the calendar year. Meeting, Leicester, November 9, noon.

BEJAM GROUP (food, freezer, microwave cooker retailer)—Results for 53 weeks to July 5 1981 and prospects reported October 7. Current cost pre-tax profit £8.1m against historical £9.32m. Group fixed assets £28.16m (£25.51m); net current assets £2.02m (£1.08m) including bank balances, deposits and cash £7.13m (£4.58m). Shareholders' funds £25.61m (£24.29m). Company intends to continue to expand its business both in established areas and new areas such as Scotland. Meeting, Winchester House, EC, November 12, noon.

BIDS AND DEALS

Offer for Assam stake rejected

Sime Darby Berhad has rejected an offer for its 24.8 per cent stake in Assam Frontier Tea, punctuating the dramatic rise in Assam's share price.

Assam's shares had been moving up all last week, culminating in a 7p rise on Friday to 200p. Yesterday they surged ahead to 263p before collapsing back to 216p after Sime's announcement.

The bidder was not named but does not appear to have been Caparo Group, which holds just over 9 per cent of the equity.

Grand Met in hotel merger with IHC

A decision has been taken in principle for Grand Metropolitan to merge the Grandmet International and Metropolitan Hotel companies into Inter-Continental Hotels Corporation, with effect from April 1, 1982.

The merger of the two companies under a single management will facilitate the development of an integrated marketing approach and increase the ready availability of a larger geographical coverage of hotels for guests.

It is intended to maintain, and wherever possible, to improve the standards of all hotels in the context of their categories and their locations.

Changes will undoubtedly take place when the merger is carried out and special efforts will be made to develop career prospects for existing Grand Met hotels' management and staff.

The announcement has been made six months in advance of the effective date so as to give time for careful consultation with those people concerned and for successful planning.

Sir Maxwell Joseph and Mr S. G. Grinstead were elected to the IHC board on October 1. Mr Paul C. Sheeline, currently the chairman, will become vice-chairman and remain chief executive officer, and Sir Maxwell will be elected chairman.

Grimshawe sells Manger in another buy out

BY DUNCAN CAMPBELL-SMITH

Grimshawe Holdings, the DIY products manufacturer, whose 1981 account were published last month with a heavily qualified auditor's report, has sold its biggest subsidiary, J. Manger and Son, in a management buy-out.

Mr Thomas Kenny, Grimshawe's chairman, said at yesterday's annual general meeting that the deal would "yield more than £500,000." Grimshawe's shares, though, closed down 3p at 22p, a new low for the year.

Manger is the group's Northamptonshire-based manufacturer and distributor of paints and other DIY goods. Sales in the year to April 30 were unchanged at £2m, but left the company at break-even point in the face of heavy pressure on its margins.

About 95 per cent of voting control in the company has been bought by Mr Michael Dent, managing director, and Mr Peter Flatters, sales director. Three other managers have also taken small equity stakes.

The remaining 5 per cent has passed to Citicorp Capital Investors, the venture capital subsidiary of Citibank which advised management on the deal.

The bank subscribed one-third of the total equity of £90,000 and the management provided £60,000. The rest of the purchase price was funded by a floating rate subordinated loan from Citibank, repayable in 1983-87.

In addition, clearing bank overdrafts facilities are understood to have been arranged to provide for about £250,000 of working capital.

Commenting on the sale, Grimshawe's chairman said the interest saving alone for the group could amount to £90,000 a year.

Last year, when pre-tax losses were £430,959, Grimshawe's interest charges rose from £107,622 to £216,957. He added that the group would continue to trade with its former company through other subsidiaries.

This is the second management buy-out to have been arranged at Grimshawe. In July it agreed to sell Aspex, a manufacturer of spectacle components, at a small discount to net worth.

Mr Kenny said that the group would show a loss for the six months to October 31. Grimshawe's remaining companies comprised "a viable group," however, and he expected some improvement in its 1982 performance.

Ruberoid placing to raise £1.3m

Ruberoid is raising £1.3m by placing 1.4m ordinary shares with the National Coal Board Pension Fund. The placing price is 95p, being the average quotation for the five days starting October 9.

The Pension Fund will thus acquire 11.9 per cent of the issued share capital of Ruberoid, subject to the approval of Ruberoid shareholders at an extraordinary meeting on November 16.

The funds raised are to replace the £1.3m expended on the purchase of Catalin, a manufacturer of industrial resins. Acceptances have now been received in respect of 98 per cent of the Catalin shares.

BUNZL EXPANDS IN AUSTRALIA

Bunzl Australia Pty, the Melbourne-based wholly owned subsidiary of Bunzl Pulp and Paper, has reached agreement with Onkaparinga Textiles, to acquire for £370,000 the assets and goodwill of its division, Kayline Plastics Company. The transaction has been approved by the Australian Foreign Investment Review Board.

Kayline makes a range of disposable plastic medical products at Thebarton in South Australia, which is complementary to the medical disposables made by the Filtrona Plastics division of Bunzl, at Thomastown, Victoria. Both divisions will continue to manufacture in their respective locations and management will remain the same.

Mr James White, the Bunzl managing director, said the group had earmarked Australia—together with North America—as priority for future development.

Fieldwood rebutts Braham claims

URGING shareholders of Braham Millar to accept the offer of 24p per share from Fieldwood, Mr Bert McCarty the Fieldwood chairman says that Braham's argument against the offer "completely ignores the fact that the offer is almost double the value of the Braham Millar shares before Fieldwood acquired its interest in the company."

Rebutting Braham's claims that Fieldwood is making its offer just when rationalisation benefits are coming through Mr McCarthy says "can you really believe that this rationalisation represents at long last a positive policy and is not just an inevitable and belated reaction to the recession?"

Referring to the suggestion that Fieldwood might be planning an "asset stripping" operation Mr McCarthy says that Fieldwood has no such plans. He says that Fieldwood intends to "build a secure future for Braham's employees by creating a broader market base and a deeper penetration into more stable industrialised markets."

Mr McCarthy also dismisses the comparison of the offer with net assets of 53.4p per share. He explains that out of that figure 6.2p is a further revaluation surplus, 7.2p is deferred tax and 20.5p is stocks. This, he says, leaves assets of "a mere" 19.5p.

LOW AND BONAR

Low and Bonar, the travel, packaging, engineering and textiles group, has paid £595,000 for nine travel agencies based in London and Lancashire.

It has acquired a 75 per cent interest in Ayscough Travel, a business travel house in the City of London, for £275,000, and through its subsidiary, Nairn Travel, it has bought New City Travel Centre which has seven outlets in Lancashire Under the terms of this deal Nairn will pay up to £320,000, subject to certain sale and purchase conditions being satisfied.

Zetters sees better trend in second half

While Zetters Group, the football pools and bingo concerns, expects to report a 30 per cent decline in midway profit, the chairman Mr P. Zetter, anticipates a much "more favourable trend" in the second half.

In his annual statement he says he believes that the performance in the second six months will be in line with the same period of last year. As known, the group finished the year to March 31 1981 showing taxable profit little changed at £1.56m (£1.54m), of which £818,413 (£928,594) in the second half. Total dividend is raised to 2.75p (2.5p).

Turnover, after betting tax, was £12.47m (£11.17m) split as to £7.29m (£6.55m) from football and £5.18m (£4.62m) from the bingo, cinemas and hotel side. Trading profit amounted to £1.42m (£1.43m) with £949,997, against £821,903, from football and £470,012 (£606,148) from the other activities.

At year end net liquidity was down £1.21m (£709,698 higher) and authorised capital spending amounted to £400,000 (£911,500) of which £150,000 (£595,000) has not been contracted.

ASSOCIATES DEALS

Panmure Gordon and Co. acting on behalf of Argyll Foods purchased in the market 25,000 ordinary shares of Linfood holdings on October 16 at 170p. Argyll, with an associate, now hold, in aggregate, 9,817,499 shares (22.22 per cent).

In addition, £300,000 nominal of 12 per cent convertible unsecured loan stock 1988-90 of Linfood was purchased in the market at £113½ per cent.

On October 16 de Zoete and Bevan carried out the following purchases of Howden ordinary shares on behalf of Alexander and Alexander Services Inc: 100,000 at 139p and 500,000 at 139½p.

WYNDHAM CHIEF RETIRES—SELLS OUT

Mr Stanley Jones, who has been chairman of Cardiff-based Wyndham Engineering for 30 years, retired on Friday at the age of 78 and sold his 29.94 per cent stake in the company.

The purchaser, who paid 74.75p a share, compared with Friday's market price of 60p, is Mr Brian Brownhill, a Cardiff property developer.

HANSON EXTENDS

Hanson Trust has extended its closing date for Berec to October 31.

Hoare Govett on October 16 purchased 275,000 Berec ordinary shares at 105p on behalf of Hanson. Hoare Govett is currently acting as official brokers to Hanson.

DUNLOP/PIRELLI

The final stage of the dissolution of the Dunlop Pirelli union took place on October 15 and Dunlop has now received from Pirelli cash payments equivalent to £22m sterling in final settlement.

NOLTON

The board of Nolton has received a "serious approach" for the sale of Nolton Communications, and has it under consideration.

Ward White sends out offer

Ward White has posted its formal offer of 145p cash per share to the shareholders of Hiltons Footwear. The offer was announced on October 14 and is open until November 9.

The offer document, prepared by Morgan Grenfell, contrasts the offer with Hilton's share price of 63p on the day before Ward White's interest in the company was first indicated.

Morgan Grenfell has also commented adversely on the income available currently on Hiltons' shares, a point it has stressed in view of "the huge proportion of very small shareholders" in the company.

No reference is made to the fact that 40.23 per cent of Hiltons' shareholders have given irrevocable undertakings to accept a proposed merger between their company and George Oliver (Footwear). The document notes, however, that the Hilton and Oliver families would together own "a very substantial proportion" of the equity of the proposed holding company for the merger.

Ward White's outstanding borrowings on September 1 stood at £10.03m.

County Bank, advisers to Hiltons, said the document contained "no surprises" and confirmed that Hiltons' management was continuing to talk to Oliver's management about the situation.

Hiltons' shares closed unchanged at 146p. Ward White's shares were also unchanged, at 49p.

J. TOWNSEND

John Townsend and Co. (Holdings) has agreed to buy Oakeley Vaughan and Co, the Lloyd's insurance brokers and 75 per cent of Oakeley Vaughan (Underwriting).

Oakeley Vaughan and Co will be integrated into John Townsend and Co, the Lloyd's brokers in the John Townsend group.

DURAPIPE INTL.

At yesterday's egm of Durapipe International a resolution approving a capital re-organisation was passed. J. Henry Schroder Wagg and Company has announced that its offers on behalf of Glynwed to buy Durapipe shares, not owned by a subsidiary of Glynwed, have become unconditional.

At September 10, 1981, when Glynwed's offer was announced, Glynwed held no shares in Durapipe; since then a subsidiary of Glynwed has bought shares represented by 4,136,255 new ordinary shares and 4,136,255 deferred shares in Durapipe (42.1 per cent of the issued share capital).

Acceptances have been received in respect of a total of 4,470,944 new ordinary shares and 4,470,944 deferred shares in Durapipe (45.5 per cent of the issued share capital).

Glynwed and its subsidiary therefore own a total of 8,607,199 new ordinary shares and 8,607,199 deferred shares in Durapipe (87.6 per cent of the issued share capital).

The offers remain open for acceptance until further notice.

ALEXANDERS HLDGS.

Alexanders Holdings, being Scotland's largest Ford Main Dealer, has recently completed its new garage, workshop and showrooms on a two-acre site in the centre of Edinburgh. This development has been valued at £2.25m.

The company has also purchased the freehold of its Northampton dealership for £285,000.

Net asset value of Alexanders shares is now 33.3p per share.

WILLIS FABER

Willis Faber has acquired a minority interest in Taz Insurance Brokers Sdn Bhd of Malaysia. The name of Taz will be changed to Taz-Willis Faber.

SHARE STAKES

Archimedes Investment Trust—Commercial Union Assurance on October 13 acquired an interest in 120,000 income shares (9.79 per cent and 3.26 per cent of total capital).

Home Charm—Mr and Mrs S. S. Fogel sold 175,000 ordinary, holding now 5.7 per cent. Mr Fogel remains beneficially interested in 800,000 ordinary.

Francis Sumner (Holdings)—Mr Max Nainman, director, purchased 115,000 ordinary on behalf of a family investment company.

Anchor Chemical Group—Leksi Inc has purchased a further 45,000 ordinary making aggregate total 645,000 ordinary (22 per cent).

Thomas Warrington and Sons—Espley-Tyas Property now hold 583,227 (19.40 per cent) and not 600,477 ordinary (19.97 per cent) as previously declared.

Alexander Howden—J. Henry Schroder Wagg sold 80,000 ordinary on October 15.

C. H. Industrials—Mr T. M. Hearley, director, disposed of 550,000 ordinary, beneficial holding now 1,280,067 (10.5 per cent).

Pace Petroleum holdings now holds 1.25m ordinary (10.2 per cent).

Baraoora Tea Holdings—Central Province Ceylon Tea Holdings has acquired 144,000 ord (10 per cent) and now hold 215,500 ord (14.97 per cent).

Burmah Oil Company—Kuwait Investment office has acquired 115,000 ord (0.08 per cent) and now holds 8.66m ord (6.02 per cent).

M. P. Kent—Mr M. P. Kent, director, has disposed of 90,000 shares at 133p leaving holdings of 5.93m (27.62 per cent).

Marchwiel—Mr R. J. McAlpine sold 30,000 ord.

Appleyard Group of Companies—Suter Electrical has purchased a further 395,000 ord shares increasing the total holding to 1.59m (19.88 per cent).

J. W. Wassall—Rochdale Canal Company is no longer a substantial shareholder, a recent sale of shares having taken holdings below 5 per cent.

Automated Security (Holdings)—London Trust Company has disposed of 160,000 shares and now holds 1.24m (6.83 per cent).

IAN RODGER LOOKS AT PERMODALAN OFFER FOR AMC SHARES

Malaysian's motives remain a mystery

MALAYSIA has been putting considerable pressure on British interests in recent months, but yesterday's unusual offer by Permodalan Nasional for shares of Amalgamated Metal Corporation, looks aimed mainly to upset AMC's German majority shareholder, Preussag AG.

Permodalan last month surprised the London stock market with its "sudden death" takeover of Guthrie Corporation. Subsequently, the city's rules on such raids were amended. So this time, the Malaysian government investment institution is "proposing to stand in the market" for an undisclosed period to purchase AMC shares at 550p per share.

That is 25 per cent higher than the 440p paper offer made by Preussag last week for the 20.5 per cent of AMC shares it does not already own.

Moreover, Permodalan is being a bit mysterious about its motives.

Mr C. G. R. Leach of the Trade Development Bank, which is representing the Malaysians, said the offer was being made because it was feared that AMC's substantial Malaysian assets were in danger of changing hands well below their true worth.

Mr Leach said the question of whether or not Permodalan would contemplate making a full bid did not arise. Such a move would, under Takeover Panel rules, be counterproductive. Unless Preusag tendered its shares, Permodalan could never get 51 per cent, so it would have to return all the other shares tendered.

"That question would arise only if the Germans indicated they were prepared to sell," he said, adding that there were lots of avenues through which the two sides could get together to talk.

The Malaysian government has become increasingly active in recent months in pursuing its goal of buying back ownership of its major natural resources. Permodalan, which was set up early this year to invest on behalf of the Bumiputras (Malays and other indigenous groups), has already made several significant acquisitions.

Apart from Guthrie, which owns 190,000 acres of plantation land in Malaysia, the institution has bought 51 per cent of Dunlop's 58,000 acres in the country for $108m and it is buying a stake in Barlow Holdings' 37,500 acres for £24.7m.

AMC's major asset is a 50.5 per cent stake in Datuk Keramat Holdings, a huge tin smelting operation in Malaysia. Last year, it contributed close to three-quarters of the group's £8m trading profit.

In their 1980 annual report, the directors of AMC noted that "discussions continued with several parties on the subject of increased Malaysian participation in our smelting activities in that country."

The directors also said that the net asset value of the company's ordinary shares on a CCA basis at the end of last year was 785p. However, there was a sharp deterioration in profits in the second half of last year which led to the final dividend being halved. Difficult trading conditions continued in the first half of the current year. Profits before tax were down from £7.27m to £3.35m and the interim dividend was cut from 3p to 2p.

Mr Leach did not say whether or not the Malaysian Government was interested in buying a larger stake in AMC's smelting interests. "The whole tin smelting area is in a state of reorganisation."

In the Guthrie acquisition, Permodalan, which already had a 25 per cent stake, said its action had been prompted by its dissatisfaction with a change of policy at Guthrie. In particular, it was upset that Guthrie had sold trading interests in Singapore and Malaysia and entered into a £38m bid for Page Airways in the U.S.

Mr Leach said there was no discontent in Malaysia about any of AMC's activities or policies.

Preussag, which acquired the controlling stake in AMC in 1978 from Patino and then brought its holding up to 79.5 per cent through a bid, anounced last August that it was considering buying the minority shares.

Last week, terms were agreed but the four independent directors made clear they were rather disappointed with them. Yesterday, they welcomed the Permodalan offer as "fair and reasonable," while Preussag said it was "surprised and disappointed." The company said it expected to decide by the end of the week whether or not to raise its own offer.

But it may conclude that Permodalan is making an offer that it can't refuse.

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on October 19, 1981. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling/dollar rates; (S) member of the sterling area other than Scheduled Territories; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rates; exC) exchange certificate rate (k:) Scheduled Territory; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Afghanistan	Afghani	101.00
Albania	Lek	10.02
Algeria	Dinar	7.7154
Andorra	French Franc	10.30
	Spanish Peseta	176.05
Angola	Kwanza	(CM) 62.936
		(T) 65.139
Antigua (S)	E. Caribbean $	4.98
Argentina	Ar. Peso	(cm) 11,126
		(fn) 15,134.0
Australia (S)	Australian $	1.6125
Austria	Schilling	28.78
Azores	Portugu'se Escudo	118.50
Bahamas (S)	Ba. Dollar	1.8410
Bahrain (S)	Dinar	0.693
Balearic Isles	Spa. Peseta	176.05
Bangladesh (S)	Taka	35.40
Barbados (S)	Babados $††	3.682
Belgium	B. Franc	(cm) 68.80
		(fn) 75.35
Belize	B $	3.682
Benin	C.F.A. Franc	515.0
Bermuda (S)	Bda $	1.8410
Bhutan	Indian Rupee	16.85
Bolivia	Bolivian Peso	45.59
Botswana (S)	Pula	1.622
Brazil	Cruzeiro ‡‡	203.11
Brit. Virgin Isles (S)	U.S. $	1.8410
Brunei (S)	Brunei $	3.8350
Bulgaria	Lev	1.7400
Burma	Kyat	11.88
Burundi	Burundi Franc	165.45
Cameroon Republic	C.F.A. Franc	515.0
Canada	Canadian $	2.2125
Canary Islands	Spanish Peseta	176.05
Cape Verde Isle	Cape V. Escudo	67.25
Cayman Islands (S)	Cay. Is. $	1.53
Cent. Af. Repub.	C.F.A. Franc	515.0
Chad	C.F.A. Franc	515.0
Chile	C. Peso	(Bk) 71.76
China	Renminbi Yuan	3.2299
Colombia	C. Peso	(F) 104.34
Comoro Islands	C.F.A. Franc	515.0
Congo (Brazaville)	C.F.A. Franc	515.0
Costa Rica	Colon	36.89
Cuba	Cuban Peso	1.3470
Cyprus (S)	Cyprus £	0.799
Czechoslovakia	Koruna	(com) 10.80
		(n'c) 18.81
		(T) 18.20
Denmark	Danish Krone	13.20
Djibouti	Fr.	315 (sg)
Dominica (S)	E. Caribbean $	4.98
Dominican Repub.	Dominican Peso	1.8410
Ecuador	Sucre	(O) 45.95
		(F) 60.72
Egypt	Egyptian £	(U) 1.47.5
Equatorial Guinea	Ekuele	352.1
Ethiopia	Ethiopian Birr	(P) 3.7650
Falkland Islands (S)	Falkland Is. £	1.0
Faroe Islands	Danish Krone	13.20
Fiji Islands	Fiji $	1.6440
Finland	Markka	8.107
France	French Franc	10.30
FrenchC'tyin Af*	C.F.A. Franc	515.0
French Guiana	Local Franc	10.30
French Pacific Is.	C.F.P. Franc	180 (sg)
Gabon	C.F.A. Franc	515.0
Gambia (S)	Dalasi	4.0
Germany (East)	Ostmark	4.1125
Germany (West)	Deutsche Mark	4.1125
Ghana (S)	Cedi	5.07
Gibraltar (K)	Gibraltar £	1.0
Greece	Drachma	103.372

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Greenland	Danish Kroner	13.20
Grenada (S)	E. Caribbean $	4.98
Guadaloupe	Local Franc	10.30
Guam	U.S. $	1.8410
Guatemala	Quetzal	1.8410
Guinea Republic	Syli	39.20
Guinea Bissau	Peso	69.87
Guyana (S)	Guyanese $	5.52
Haiti	Gourd	9.20
Honduras Repub.	Lempira	3.69
Hong Kong (S)	H.K. $	11.0150
Hungary	Forint	64.2395‡‡
Iceland (S)	I. Krona	14.197
India (S)	Ind. Rupee	16.85
Indonesia	Rupiah	1,184.4
Iran	Rial	146.30(sg)
Iraq	Iraq Dinar	0.542
Irish Republic (k)	Irish £	1.6515
Israel	Shekel	25.30
Italy	Lira	2,189.0
Ivory Coast	C.F.A. Franc	515.0
Jamaica (S)	Jamaica Dollar	3.2850
Japan	Yen	428.0
Jordan (S)	Jordan Dinar	0.608(sg)
Kampuchea	Riel	2,209.2
Kenya (S)	Kenya Shilling	18.87
Kiribati	Australian $	1.6125
Korea (Nth)	Won	1.74(l)
Korea (Sth)	Won	1,260.4
Kuwait	Kuwait Dinar	0.519
Laos	New Kip	18.41
Lebanon	Lebanese £	8.4456
Lesotho	Loti	1.7590
Liberia	Liberian $	1.8410
Libya	Libyan Dinar	0.5450
Liechtenstein	Swiss Franc	3.43
Luxembourg	Lux Franc	68.80
Macao	Pataca	11.56
Madeira	Portug'se Escude	118.50
Malagasy Republic	MG Franc	515.0
Malawi (S)	Kwacha	1.6750
Malaysia (S)	Ringgit	4.1975
Maldive Islands (S)	Mal Rupee	7.2390
Mali Republic	Mali Franc	1,030.0
Malta (S)	Maltese £	0.720
Martinique	Local Franc	10.30
Mauritania	Ouguiya	102.75
Mauritius (S)	M. Rupee	19.10
Mexico	Mexican Peso	46.66
Miquelon	C.F.A. Franc	515.0
Monaco	French Franc	10.30
Mongolia	Tugrik	(o) 5.80(l)
Montserrat	E. Caribbean $	4.98
Morocco	Dirham	9.66(sg)
Mozambique	Metical	54.02
Nauru	Australian Dollar	1.6125
Nepal	Nepalese Rupee	24.51
Netherlands	Guilder	4.54
Netherland Antilles	Antillian Guilder	3.2954
New Zealand (S)	N. Z. Dollar	2.2330
Nicaragua	Cordoba	18.40
Niger Republic	C. F. A. Franc	515.0
Nigeria (S)	Naira	1.211889(sg)
Norway	Norway Krone	10.885
Oman Sul'ate of (S)	Rial Omani	0.636
Pakistan	Pakistan Rupee	18.15
Panama	Balboa	1.8410
Papua N.Guinea (S)	Kina	1.2680
Paraguay	Guarani	(O) 231.84
		(F) 299.92

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Peru	Sol	exe (A) 849.0
Philippines	Philippine Peso	14.50
Pitcairn Islands (S)	£ Sterling	—
	New Zealand $	2.3330
Poland	Zloty	(Cm) 63.64
		(T) 63.64
Portugal	Portugu'se Escudo	118.50
Puerto Rico	U.S. $	1.8410
Qatar (S)	Qatar Ryal	6.70
Reunion Ile de la	French Franc	10.30
Romania	Leu	(Cm) 8.06
		(n/c) 19.83
Rwanda	Rwanda Franc	168.69
St. Christopher (S)	E. Caribbean $	4.98
St. Helena	St. Helena £	1.0
S. Lucia	E. Caribbean $	4.98
St. Pierre	Local Franc	10.30
S. Vincent (S)	E. Caribbean $	4.98
Salvador El	Colon	4.60
Samoa American	U.S. $	1.8410
San Marino	Italian Lira	2,189.0
Sao Tome & Principe	Dobra	71.86
Saudi Arabia	Ryal	6.29
Senegal	C.F.A. Franc	515.0
Seychelles	S. Rupee	11.35(sg)
Sierra Leone (S)	Leone	2.187992
Singapore (S)	Singapore $	3.8350
Solomon Islands (S)	Solomon Is. $	1.6695
Somali Republic	Somali Shilling (3)	(A) 11.70
Somali Republic	Somali Shilling (4)	22.95
South Africa (S)	Rand	1.7590
South West African Territories (S)	S. A. Rand	1.7590
Spain	Peseta	176.05
Spanish ports in North Africa	Peseta	176.05
Sri Lanka (S)	S. L. Rupee	37.10
Sudan Republic	Sudan £ (1)	0.92
Sudan Republic	Sudan £ (2)	1.47
Surinam	S. Guilder	3.2954
Swaziland (S)	Lilangeni	1.7590
Sweden	S. Krona	10.18
Switzerland	Swiss Franc	3.43
Syria	Syria £	(A) 11.0
Taiwan	New Taiwan $	66.28
Tanzania (S)	Tan. Shilling	14.775
Thailand	Baht	41.95
Togo Republic	C.F.A. Franc	515.0
Tonga Islands (S)	Ha'anga	1.6125
Trinidad (S)	Trinidad & Tob. $	4.4184
Tunisia	Tunisian Dinar	0.924(sg)
Turkey	Turkish Lira	230.21
Turks & Caicos	U.S. $	1.8410
Tuvalu	Australian $	1.6125
Uganda (S)	Uganda Shilling	140.0
United States	U.S. Dollar	1.8410
Uruguay	Uruguay Peso	(cm) 20.65
		(fn) 20.64
Utd. Arab Emirates	U.A.E. Dirham	6.75
U.S.S.R.	Rouble	1.3050
Upper Volta	C.F.A Franc	515.0
Vanuatu	Vatu	165.50
	Aust. Dollar	1.6125
Vatican	Italian Lire	2,189.0
Venezuela	Bolivar	7.90
Vietnam	Dong	(O) 4.01
		(T) 4.26(l)
Virgin Islands U.S.	U.S. Dollar	1.8410
Western Samoa S.	Samoan Tala	1.9650
Yemen (Nth)	Ryal	8.31(sg)
Yemen (Sth)	S. Yemen Dinar	(A) 0.6290
Yugoslavia	New Y Dinar	69.9360
Zaire Republic	Zaire	10.095330
Zambia	Kwacha	1.63
Zimbabwe	Zimbabwe $	1.3190

*That part of the French community in Africa formerly French West Africa or French Equatorial Africa. † Rupees per pound. ‡ General rates of oil and iron exports 77.22. ** Rate is the transfer market (controlled): †† Rate is now based on 2 Barbados $ to the dollar. ‡‡ Now one official rate. (U) Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt and who are not members of IMF. (‡) Based on gross rates against Russian rouble. (1) Official rates for government transactions and specified exports and imports. (2) Parallel rates for non-government transactions and non-specified exports and imports. (3) Parallel exchange rate for essential imports. (4) Exports, non-essential imports and transfers.

Dollar steadies

The dollar showed little change from Friday's closing levels in yesterday's currency markets. Friday's rise in U.S. money supply figures has been largely in line with market expectations but may have kept interest rates from falling much. The change of leadership in Poland also failed to have any significant impact on trading. In the absence of any real movement, Euro-dollar rates showed a slightly easier tendency.

Sterling was firmer overall helped by a slightly firmer trend in UK domestic rates. Attention today will be focused on the release of UK trade figures, the first since the beginning of the Civil Service dispute.

The Danish krone replaced the French franc as the strongest member of the European Monetary System yesterday. However this situation may only be temporary as the krone owes much of its current strength to transactions made in anticipation of the recent currency realignment. At the other end of the system the D-mark remained the weakest member. Figures released by the EEC Commission in its annual economic review showed that EMS central banks spent a net $32.4bn intervening in currency markets between April 1979 and June 1981. Gross sales were $50bn. Intervention to keep EMS currencies within agreed limits was estimated at the equivalent of $30bn in the same period, of which around 64 per cent was carried out before currencies moved beyond their intervention limits.

DOLLAR — trade weighted index (Bank of England) fell to 108.2 from 108.4. The dollar tended to improve during the day but came back in the afternoon as the U.S. Federal Reserve Bank injected funds into the domestic money market. Against the D-mark it finished at DM 2.2325 from DM 2.2375 and SwFr 1.8625 from SwFr 1.8700 against the Swiss franc. It was up against the yen however at Y232.25 compared with Y230.5.

STERLING — trade-weighted index (Bank of England) rose to 88.0 from 87.4, having stood at 87.9 at noon and 87.8 in the morning. Against the dollar it opened at $1.8330 and reached a best level some time before noon of $1.8460. It traded around $1.8400 for most of the afternoon and closed at $1.8405-1.8415, a rise of 70 points. Against the D-mark it finished at DM 4.1125 from DM 4.1050 and was unchanged against the Swiss franc at SwFr 3.43. It rose against the French franc to FFr 10.30 from FFr 10.2750.

D-MARK—Weakest member of the European Monetary System following the recent currency realignment. This should allow the D-mark room to improve against the dollar without putting too much strain on member currencies. Although stronger than a month ago, however, the D-mark has shown a weaker trend just recently, reflecting not only high U.S. interest rates, but a less favourable economic outlook for West Germany next year. Inflation continues to rise and recently the latest GNP projections have been revised downwards—There was no intervention by the Bundesbank at yesterday's fixing in Frankfurt when the dollar was fixed at DM 2.2384, slightly up from DM 2.2340 seen in the morning but hardly changed from Friday's fixing of DM 2.2375. Friday's U.S. money supply figures showed a continued increase but came within market expectations and so had little effect on trading in Frankfurt. There was also little reaction to the leadership change in Poland.

Elsewhere sterling rose to DM 4.1190 from DM 4.1100 and the Swiss franc was slightly firmer at DM 1.1952 from DM 1.1950. Within the EMS the French franc was unchanged at DM 39.88 per FFr 100 while the Belgian franc rose slightly to DM 5.9740 from DM 5.9730 per BFr 100. The Danish krone was fixed at DM 31.11 compared with DM 31.09 per DKr 100 on Friday a ceiling level of DM 31.155.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 19	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7572	40.7624	+0.01	−0.05	±1.5368
Danish Krone	7.91117	7.82730	−1.06	−1.12	±1.6412
German D-Mark	2.40989	2.43643	+1.10	+1.04	±1.1077
French Franc	6.17443	6.11042	−1.04	−1.10	±1.3733
Dutch Guilder	2.66382	2.68776	+0.90	+0.84	±1.5063
Irish Punt	0.684452	0.687316	+0.42	+0.36	±1.6688
Italian Lira	1300.67	1296.38	−0.33	−0.33	±4.1229

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for October 19 ...... 0.592063

THE DOLLAR SPOT AND FORWARD

Oct 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.8330-1.8460	1.8405-1.8415	0.08c pm-0.02 dis	0.20	0.05-0.15dis	−0.22
Ireland†	1.5815-1.5910	1.5880-1.5910	0.60-0.50c pm	4.16	1.30-1.10 pm	3.03
Canada	1.2017-1.2026	1.2017-1.2020	0.32-0.36c dis	−3.39	0.73-0.78dis	−2.51
Nethlnd.	2.4600-2.4700	2.4600-2.4620	0.69-0.59c pm	3.11	2.20-2.10 pm	3.48
Belgium	37.36-37.50	37.36-37.38	7-13c dis	−3.20	27-33 dis	−3.20
Denmark	7.1700-7.1985	7.1700-7.1800	0.85-1.10ore dis	−1.63	1.60-2.10dis	−1.03
W. Ger.	2.2280-2.2430	2.2320-2.2330	0.92-0.87pf pm	4.81	2.78-2.72 pm	4.93
Portugal	64.00-64.60	64.20-64.50	50-210c dis	−24.22	70-360 dis	−13.04
Spain	95.60-95.83	95.60-95.65	7-15c dis	−1.38	25-45 dis	−1.46
Italy	1188-1190.10	1188.50-1189.50	4-6lire dis	−5.06	14-17 dis	−5.21
Norway	5.9050-5.9475	5.9050-5.9150	1.80-1.30ore pm	3.13	4.25-3.75 pm	2.69
France	5.5900-5.6200	5.5925-5.5975	0.70-1.20c dis	−2.03	2.75-3.50dis	−2.23
Sweden	5.5230-5.5410	5.5250-5.5350	1.50-1.30ore pm	3.04	5.35-5.15 pm	3.80
Japan	231.00-232.50	232.20-232.30	1.95-1.90y pm	9.89	5.10-4.95 pm	8.65
Austria	15.62-15.68	15.63-15.64	6.25-4.75gro pm	4.21	14-10 pm	3.06
Switz.	1.8600-1.8775	1.8620-1.8630	0.90-0.80c pm	5.47	2.58-2.48 pm	5.43

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

THE POUND SPOT AND FORWARD

Oct 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8330-1.8460	1.8405-1.8415	0.08c pm-0.02 dis	0.20	0.05-0.15dis	−0.22
Canada	2.2040-2.2200	2.2120-2.2130	0.50-0.60c dis	−2.98	1.50-1.70dis	−2.89
Nethlnd.	4.53-4.57	4.53½-4.54½	1⅛-⅞c pm	2.97	3⅜-3⅛ pm	3.08
Belgium	68.60-69.30	68.75-68.85	17-27c dis	−3.84	60-75 dis	−3.92
Denmark	13.19-13.28	13.19½-13.20½	1-2ore dis	−1.36	3½-5 dis	−1.29
Ireland	1.1560-1.1675	1.1605-1.1625	0.33-0.44p dis	−3.98	0.87-1.05dis	−3.31
W. Ger.	4.10-4.14	4.10½-4.11½	2-1½pf pm	5.11	5¼-4¾ pm	4.74
Portugal	118.00-119.25	118.25-118.75	85-390c dis	−24.05	130-560dis	−13.33
Spain	175.25-176.75	175.95-176.15	5-30c dis	−1.19	55-90 dis	−1.65
Italy	2180-2196	2188-2190	7½-10½lire dis	−4.95	30-34 dis	−5.85
Norway	10.87-10.97	10.88-10.89	3½-2½ore pm	3.31	7½-6 pm	2.48
France	10.28½-10.37½	10.29½-10.30½	1½-2½c dis	−2.33	6-7½ dis	−2.62
Sweden	10.14-10.20	10.17½-10.18½	3½-2½ore pm	3.09	9½-8½ pm	3.44
Japan	423-430	427½-428½	3.80-3.30y pm	9.97	9.10-8.80 pm	8.38
Austria	28.72-28.97	28.75-28.80	13-8gro pm	4.38	24-14 pm	2.64
Switz.	3.42-3.47	3.42½-3.43½	1½-1¼c pm	4.81	4½-3½ pm	4.81

Belgian rate is for convertible francs. Financial franc 75.30-75.40. Six-month forward dollar 0.50-0.60c dis., 12-month 1.20-1.40c dis.

CURRENCY MOVEMENTS

Oct. 19	Bank of England Index	Morgan Guaranty Changes%
Sterling	88.0	−35.4
U.S. dollar	108.2	+2.4
Canadian dollar	87.6	−17.2
Austrian schilling	118.9	+25.8
Belgian franc	107.5	+10.2
Danish kroner	89.6	−7.9
Deutsche mark	123.9	+44.2
Swiss franc	149.3	+97.0
Guilder	114.9	+19.4
French franc	82.6	−13.0
Lira	56.4	−57.1
Yen	136.9	+32.0

Based on trade weighted changes from Washington agreement December, 1971. Bank of England index (base average 1975=100).

CURRENCY RATES

Oct. 16	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.628925	0.592377
U.S. $	14	1.15502	1.08849
Canadian $	18.51	1.38914	1.30978
Austria Sch.	6¾	18.0992	17.0730
Belgian F.	13	43.4634	40.8348
Danish K.	11	8.30633	7.83715
D mark	7½	2.58436	2.43495
Guilder	9	2.85867	2.59081
French Fr.	9½	6.49814	6.10754
Lira	19	1374.47	1295.31
Yen	6¼	266.453	251.759
Norwgn. Kr.	9	6.87237	6.46565
Spanish Pts.	8	110.535	10.461
Swedish Kr.	11	6.39188	62644
Swiss Fr.	6	2.16508	2.04473
Greek Dr'ch.	20½	—	61.4672

OTHER CURRENCIES

Oct. 19	£	$		£ Note Rates
Argentina Peso	11,116-11,136†	6037-6057†	Austria	28.75-29.05
Australia Dollar	1.6105-1.6145	0.8745-0.8750	Belgium	76.15-76.15
Brazil Cruzeiro	202.61-203.61	110.12-110.67	Denmark	13.19-13.34
Finland Markka	8.1074-8.1177	4.4050-4.4070	France	10.29-10.44
Greek Drachma	101.814-104.951	56.30-56.50	Germany	4.10½-4.15½
Hong Kong Dollar	11.0050-11.0250	5.9900-5.9950	Italy	2145-2225
Iran Rial	146.30*	79.75*	Japan	426-431
Kuwait Dinar (KD)	0.516-0.522	0.2821-0.2824	Netherlands	4.52½-4.57½
Luxembourg Fr.	68.75-68.85	37.36-37.38	Norway	10.89-11.04
Malaysia Dollar	4.1025-4.2025	2.2820-2.2840	Portugal	116-129
New Zealand Dlr.	2.2305-2.2355	1.2115-1.2130	Spain	172¾-184.60
Saudi Arab. Riyal	6.26-6.32	3.4190-3.4210	Sweden	10.13-10.23
Singapore Dollar	3.83-3.84	2.0845-2.0865	Switzerland	3.43-3.47
Sth. African Rand	1.7580-1.7600	0.9550-0.9560	United States	1.83-1.85
U.A.E. Dirham	6.72-6.78	3.6710-3.6740	Yugoslavia	81-85

† Rate given for Argentina is the commercial rate. The financial rate for sterling 15,124-15,144 and for the dollar 8,200-8,250. * Selling rate.

EXCHANGE CROSS RATES

Oct. 19	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canadia Dollar	Belgian Franc
Pound Sterling	1.	1.841	4.113	428.0	10.30	3.430	4.540	2189.	2.213	68.80
U.S. Dollar	0.543	1.	2.234	232.5	5.595	1.863	2.466	1189.	1.202	37.37
Deutschemark	0.243	0.448	1.	104.1	2.505	0.834	1.104	532.3	0.538	16.73
Japanese Yen 1,000	2.336	4.301	9.609	1000.	24.07	8.014	10.61	5114.	5.169	160.7
French Franc 10	0.971	1.787	3.993	415.5	10.	3.330	4.408	2125.	2.148	66.80
Swiss Franc	0.292	0.537	1.199	124.8	3.003	1.	1.324	638.2	0.645	20.06
Dutch Guilder	0.220	0.406	0.906	94.27	2.269	0.756	1.	482.2	0.487	15.15
Italian Lira 1,000	0.457	0.841	1.879	195.5	4.705	1.567	2.074	1000.	1.011	31.43
Canadian Dollar	0.452	0.832	1.859	193.4	4.655	1.550	2.052	989.4	1.	31.10
Belgian Franc 100	1.453	2.676	5.977	622.1	14.97	4.985	6.599	3182.	3.216	100

FT LONDON INTERBANK FIXING (11.00 a.m. OCTOBER 19)

3 months U.S. dollars		6 months U.S. dollars	
bid 16 3/16	offer 16 5/16	bid 16 7/16	offer 16 9/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Oct. 19	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	15½-15¾	14⅞-15⅛	17-18	12⅝-12⅞	7¼-7¾	10¾-10⅞	16½-17½	16½-18½	13½-15	5¾-6
7 days' notice	15¾-15⅞	15⅛-15⅜	17-18	12⅝-12⅞	7¼-7¾	10⅞-11	16½-17½	18-20½	15½-19½	6⅜-6⅝
Month	15 15/16-16 1/16	15⅜-15⅝	18⅝-19	12 7/16-12 9/16	10⅞-11	11-11⅛	17¼-18	19-20½	18¼-19⅝	6¾-7
Three months	16¼-16⅜	16⅛-16⅜	18⅝-19	12 5/16-12 7/16	10⅞-11	11 1/16-11 3/16	18-18¾	21-22¼	19½-20⅛	7 3/16-7 5/16
Six months	16 5/16-16 7/16	16⅜-16⅝	18⅝-19	12 5/16-12 7/16	10⅞-11	11 1/16-11 3/16	19-19¾	22-23	19⅝-19⅞	7 3/16-7 5/16
One Year	15⅞-16	16 1/16-16 3/16	18⅝-19	12⅛-12¼	10 5/16-10 7/16	11-11⅛	19-19¾	21¾-23	18-18½	7⅞-8⅛

SDR linked deposits: one-month 13 11/16-14 1/16 per cent: three months 14 3/16-14 7/16 per cent; six months 14⅜-14⅝ per cent; one year 14⅜-14⅝ per cent.

ECU linked deposits: one-month 14 5/16-14 11/16 per cent: three months 14 11/16-15 1/16 per cent; six months 14⅞-15¼ per cent; one year 14 11/16-15 1/16 per cent.

Asian $ (closing rates in Singapore): one month 15 7/16-15 9/16 per cent; three months 16-16⅛ per cent; six months 16⅜-16½ per cent; one year 16⅜-16½ per cent. Long-term Euro-dollar two years 16½-16¾ per cent; three years 16⅝-16⅞ per cent; four years 16⅝-16⅞ per cent; five years 16¾-17 per cent nominal closing rates.

The following nominal rates were quoted for London dollar certificates of deposit: one month 15.20-15.30 per cent; three months 15.80-15.90 per cent; six months 16.05-16.15 per cent; one year 15.85-15.95 per cent.

MONEY MARKETS

London rates firm

London clearing banks base lending rates 15½ per cent (since October 15)

Period rates continued to firm in London yesterday. Three-month money in the interbank market was quoted at 16 3/16 per cent up from 16 per cent on Friday while buying rates on three-month eligible bank bills edged up to 15½-15⅝ per cent from 15 7/16 per cent. However, seven-day money was steady at 15⅝-15⅞ per cent and overnight funds traded between 14 per cent and 16 per cent having opened at 15½-15¾ per cent.

Day-to-day credit was in short supply in the money market. An early forecast by the Bank of England suggested a shortage of around £50m but this was amended at noon to around £150m. Factors affecting the market included eligible bills maturing in official hands and a net take-up of Treasury bills −£210 against which Exchequer transactions totalled +£110m *and a fall in the note circulation* +£75m. The Bank gave assistance in the morning by arranging a sale and repurchase agreement on £122m of bills at 15-15¼ per cent, unwinding today. Further help was given during the afternoon comprising another sale and repurchase agreement on £58m of bills at 15 per cent, also unwinding today. Total assistance was £180m.

In Singapore United Overseas Bank, one of the big four local banks, increased its prime rate to 15 per cent from 14½ per cent. This is the second rise in three weeks and the other three major banks are expected to follow. Figures released earlier in the week showed a continued fall in bank deposits while loan demand has steadily increased. This has tightened liquidity levels and forced interest rates higher.

In Tokyo call money was quoted below 7 per cent for the first time since June at 6.9375 per cent yesterday. It seems likely, however, that the Bank of Japan will intervene in the market in an effort to soak up *excess liquidity and keep rates* over 7 per cent. Recent comments by the Governor of the Bank of Japan underlined the large interest rate differential existing between Japanese and U.S. rates and that this gap would make it very difficult to reduce Japanese rates without risking an increase in currency outflows.

GOLD

Quiet trading

Trading was generally featureless in the London bullion market yesterday. After opening at $441¾-442¾, gold was fixed at $440.75 in the morning and $436.70 in the afternoon. It failed to recover during the afternoon, after New York entered the market, and closed at $435-437, a fall of $9 an oz compared with Friday's close in London.

In Paris the 12½-kilo bar was fixed at FFr 82,600 per kilo ($457.99 per oz) in the afternoon compared with FFr 82,500 ($457.09) in the morning and FFr 83,000 ($458.86) on Friday afternoon.

In Frankfurt the 12½-kilo bar was fixed at DM 31,740 per kilo ($441.03 per oz) against DM 31,960 ($443.99) previously and closed at $435-436½ from $443½-444½.

In Luxembourg the dollar per oz equivalent of the 12½-kilo bar was $441.1 against $441.5 on Friday.

In Zurich gold finished at $434-437 from $443-446.

	Oct. 19		Oct. 16	
Gold Bullion (fine ounce)				
Close	$435-437	(£236-237)	$444-446	(£242¾-243¾)
Opening	$441¾-442¾	(£240-240½)	$441½-442½	(£240-240½)
Morning fixing	$440.75	(£239.276)	$441.25	(£239.458)
Afternoon fixing	$436.70	(£237.466)	$443.75	(£242.089)
Gold Coins				
Krugerrand	$450-451	(£244½-245)	$458-459	(£249½-250)
1/2 Krugerrand	$231½-232½	(£125¾-126¼)	$235½-236½	(£128¼-128¾)
1/4 Krugerrand	$118-119	(£64-64½)	$120-121	(£65¼-66)
1/10 Krugerrand	$48-49	(£26-26½)	$49-50	(£26¾-27¼)
Mapleleaf	$450-453	(£244¼-246)	$458-461	(£249½-251)
New Sovereigns	$106¾-107½	(£58-58½)	$108½-109½	(£59-59½)
King Sovereigns	$120-122	(£65-66)	$123-124	(£66¾-67¼)
Victoria Sovs	$120-122	(£65-66)	$123-124	(£66¾-67½)
French 20s	$123-127	(£66¾-69)	$134-138	(£72½-74½)
50 pesos Mexico	$541-544	(£293¾-295½)	$550-553	(£299½-301¼)
100 Cor. Austria	$422-425	(£229¼-230¾)	$430-433	(£234¼-235¾)
$20 Eagles	$594-599	(£322½-325¼)	$596-601	(£324½-327¼)

LONDON MONEY RATES

Oct. 19 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	14-16	15¾-15⅞	—	—	16¼	14-15⅝	—	—	—
2 days notice	—	—	15¾-15⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	15⅝-15⅞	15⅞-16	—	16⅞	16⅛	15¼-15⅝	—	—	—
One month	16⅛-16	16-16⅛	16⅞-16	16½-16⅜	16⅛	16¼	15¼	15 5/16	15 11/16	16¼
Two months	16 3/16-16 1/16	16 1/16-16 3/16	—	16½-16¼	16 3/16	—	15¼	15 7/16	15 11/16	16⅜
Three months	16 5/16-16 3/16	16⅛-16 3/16	15⅞-15⅞	16¼-16¼	16¼	—	15⅝	15 7/16-15½	15½-15⅝	16⅜
Six months	16⅛-16	16 3/16-16¼	15½-15¾	15¾-15⅛	16¼	—	—	—	16	15⅝
Nine months	16-15⅞	15 15/16-16⅛	—	16⅝-16	16⅛	—	—	—	—	—
One year	15 15/16-15 13/16	15⅞-16⅛	15½-15¾	16⅛-15⅞	16	—	—	—	—	—
Two years	—	—	15½-15¾	—	—	—	—	—	—	—

Local authorities and finance seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 15½-15¾ per cent; four years 15⅝-15⅞ per cent; five-years 15⅝-15⅞ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15⅝ per cent; four-month trade bills 16 per cent.

Approximate selling rate for one-month Treasury bills 15¼-15 5/16 per cent; two-months 15 5/16 per cent; three-months 15 5/16-15 11/32 per cent. Approximate selling rate for one-month bank bills 15 11/16-15 23/32 per cent; two-months 15 9/16-15 19/32 per cent; and three-months 15 7/16 per cent; one-month trade bills 16 per cent; two-months 15 15/16 per cent; three-months 16⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 14½ per cent from October 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 15½ per cent. Treasury Bills: Average tender rate of discount 15.3449 per cent.

MONEY RATES

NEW YORK

Prime rate	18
Fed. funds	15¼-15½
Treasury bills (13-week)	13.55
Treasury bills (26-week)	13.90

GERMANY

Special Lombard	11.0
Overnight rate	11.05
One month	11.50
Three months	11.55
Six months	*11.40*

FRANCE

Intervention rate	16.5
Overnight rate	17.0
One month	16.5
Three months	16.25
Six months	15.625

JAPAN

Discount rate	6.25
Call (unconditional)	6.9375
Bill discount (three-month)	7.40625

French MPs give estimate of nationalisation terms

BY TERRY DODSWORTH IN PARIS

THE REPORT of the special French Parliamentary committee on the Government's nationalisation project has given provisional estimates of the compensation terms available to shareholders in the companies which are to be taken over by the State.

Although the figures are not definitive, they have been calculated by the Economics Ministry and therefore give the most significant guide to what shareholders can expect.

Previous estimates were based upon guidelines laid down by the Commission des Operations de Bourse, the stockmarket regulatory organisation, which took into account average share prices for the three years ending in 1980, a valuation of company net assets and average net profits multiplied by ten.

The new figures are still "provisional," but are generally close to those calculated privately, which have formed the basis of trading in the companies to be nationalised since they were re-quoted three weeks ago. Most of the companies concerned are now trading at a significant discount.

NATIONALISATION TERMS

Company	FFr per share
Rhone-Poulenc	136
PUK	105
Saint Gobain	156
CGE	334
Thomson-Brandt	256
Suez	327
Paribas	219
Credit du Nord	101
CCF	164

The commission report also gives some indications of shareholdings in some of the key companies. In the case of the *Thomson-Brandt group, for* example, it says that Thomson held 41 per cent of its Thomson-CSF associate at the end of June this year — an important point since unconfirmed reports that the group, which is to be nationalised, was increasing its stake in Thomson-CSF to more than 50 per cent. The Saudi Arabian stake in Thomson-CSF, also the subject of speculation, is put at about 2.6 per cent.

It is also clear that the State could gain control over other important companies, such as Saint-Gobain, simply by means of its bank nationalisation measures. It is calculated that about 20 per cent of Saint-Gobain is already controlled by State-owned companies.

Occidental profit hit by weak oil market

By Our New York Staff

OCCIDENTAL PETROLEUM, the 13th largest U.S. Oil company, *announced a drop in* third quarter earnings yesterday because of the weakness of the oil and gas markets.

Net income was $115.8m, down 13 per cent on the $133.7m earned in the same period last year. Per share earnings were down more from $1.62 to $1.15 because of a large increase in the outstanding stock.

Occidental said that oil and gas earnings declined mainly because of narrowed marings, or losses, on sales of Libyan crude. It has, however, recently renegotiated its Libyan contract in the wake of the drop of crude prices on the open market. Earnings on *oil production from* Oxy's Peruvian operations improved because of higher sales volumes.

Among Oxy's other divisions, coal showed a strong improvement, while Iowa Beef, the large meat processing company taken over in the summer, contributed strongly to earnings.

It is proving to be a difficult year for Oxy, however, and in the first nine months, earnings have fallen to $456m from $573m in the same period last year. Sales in that period increased from $9.3bn to $10.2bn.

WestLB in capital injection talks

BY STEWART FLEMING IN FRANKFURT

WESTDEUTSCHE LANDESBANK, West Germany's third largest banking institution with assets of DM 114bn ($51bn), confirmed yesterday that it is discussing with the state government of North Rhine—Westphalia the injection of DM 700m ($313m) of new capital into the bank.

The move, details of which remain to be agreed, would increase the North Rhine—Westphalia Government's stake in the financially stretched WestLB from 33 per cent to 48 per cent, giving the State a clear pre-dominance in the bank's affairs over the other two shareholders, the federation of savings banks and the association of local authorities in North Rhine—Westphalia, each with 33 per cent.

Despite the State Government's well-publicised difficulties in controlling public spending, it is being asked to accept WestLB's case for an early capital increase in order to allow the bank to meet West German capital requirements and to continue to expand its business.

The increase, which WestLB wants to carry out early in the new year, would be the most dramatic strengthening of a publicly-owned bank's capital since the state of Hessen and the savings banks in the state were obliged to put up DM 2bn to cover the losses of Hessische Landesbank in the mid-1970's. It underscores the extent of the problems facing WestLB, one of the best-known German names in international financial markets.

Signs that WestLB was facing profit problems first surfaced at the beginning of this year, when it was announced that the bank could not pay a dividend. That decision shocked the bank's shareholders, who had earlier agreed to put up an additional DM 200m of new capital.

In May, the bank disclosed that in 1980, were it not for the earnings of its building society subsidiary, it would not have been able to report a group profit despite the DM 100bn of assets in its universal banking business. Overall group profits plunged to DM 61m in 1980 from DM 188m in 1979.

WestLBs problems can be traced to a combination of its traditionally aggressive growth policies, unexpected surges in German interest rates and the structure of the publicly owned Landesbanks, which tend to invest heavily in fixed interest securities.

WestLB has stated that at the end of 1980, it held some DM 11bn of "mismatched" loans—loans made at interest rates lower than the rates at which the bank itself was able to attract funds to finance its activities.

The rise in German interest rates this year from 9 per cent at the beginning of January to 12 to 13 per cent for short-term money last summer, will have seriously aggravated this problem. The recent reduction in *German rates to the 11 per cent* level will have eased the load a little, yet not removed it.

An additional problem has been the German accounting requirements which had traditionally led banks to write off losses on securities through their profit and loss accounts, even when the losses are unrealised. WestLB, with its big bond portfolio, has conceded that its securities write offs in 1980 were DM 200m. In the current year it hinted that it might change its accounting practice to avoid making further heavy write offs.

Biogen raises more capital

By David Fishlock, Science Editor

BIOGEN, THE international venture capital company set up in 1978 to exploit genetic engineering and other new advances in bio-technoligy, has raised more than $20m in Europe to expand its research programme.

Biogen is best-known for its *success in producing* interferon by genetic engineering. Together with Schering-Plough, the U.S. pharmaceuticals group, it announced last month the first clinical trials on its new form of interferon.

The company announced yesterday the completion in London of a private placement of 522,000 ordinary shares at $40 per share with institutional investors.

Government blocks CCF plans for Swiss sale

BY OUR PARIS STAFF

CREDIT Commercial de France, one of France's leading private banks and the most doughty opponent of the Socialist Government's nationalisation measures, said yesterday that a plan to introduce foreign owners into its Swiss subsidiary had been blocked by the French Government.

The Government's veto, given to the bank last Friday, shows the hard line the authorities are taking against any attempts by *les nationalisables* to hive off overseas subsidiaries while the nationalisation Bill is going through Parliament. It follows the even more controversial case of Paribas, in which the Government claims to have received a commitment from the bank not to accept a bid from a Swiss consortium for its 60 per cent holding in its Geneva-based subsidiary.

CCF says it put a plan for the sale of some of the shares in its Swiss subsidiary to the French Government for approval about a month ago. The *bank was worried, its says,* by evidence that some clients were being put off from doing further business with the Swiss operation because it was being taken over by the French state. The idea was to cut CCF's 100 per cent stake to a little under 50 per cent.

CCF's Swiss subsidiary has a balance sheet total of about SwFr 1bn ($535m) and expects profits this year of around SwFr 7m.

London share listing sought by AT and T

By David Lascelles in New York

AMERICAN TELEPHONE and Telegraph, the largest publicly quoted company in the world, is to seek a listing for its common shares on the London Stock Exchange, starting next January.

The giant utility, which has more than 3m shareholders, said the move was part of a long-term plan to increase its exposure to institutional and individual investors in Europe, where it already has some Continental listings.

AT and T said the listing would be sponsored by Credit Suisse First Boston, and the London brokers for the listing would be Cazenove. AT and T was listed in London in the 1930s, but this was allowed to lapse.

AT and T is by far the most widely held U.S. corporation, with a market capitalisation in excess of $40bn. The next largest, IBM, has a capitalisation of $33bn. AT and T tends to be less well known abroad, though, because its business is largely confined to the U.S. domestic market and, being a utility, it is not included in Fortune magazine's list of the 500 biggest companies. However, its shares are a component of the Dow Jones Industrial Average.

The decision to stir more overseas investor interest follows a distinct trend among U.S. corporations, which are increasingly aware of foreign investment potential.

The value of AT and T shares has historically been fairly steady. It has not varied more than $10 above or below its recent price of $55 in the last five years. It currently yields about 9 per cent. The main factor affecting the share price is usually interest rates: AT and T is *the* largest corporate borrower on the U.S. capital markets.

INTERNATIONAL CAPITAL MARKETS

Austrian credit up to $400m

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE AMOUNT of the forthcoming Eurocredit for Austria has been increased by $100m to $400m and final terms changed from earlier indications in the light of mandates awarded recently by Malaysia and Indonesia.

Austria now is to pay a margin above London interbank offered rate (Libor) of ⅜ per cent over 10 years, the same conditions as on the finely priced Far Eastern credits. Previously the Austrian loan had indicated terms of eight years and a margin starting at ¼ per cent but rising in stages to ½ per cent at the end of the loan.

It is understood that Austria would have considered it a severe loss of prestige to be paying a margin of ½ per cent at any time in its borrowing when two Far Eastern countries were paying ⅜ per cent throughout the life of their loans.

As part of the compromise solution to this problem it agreed to drop the ¼ per cent element at the start of the credit, which in any case had caused concern among some international banks about the marketability of the credit.

The end result, however, is mighty cosmetic as the yield to banks of from ⅜ per cent over 10 years is not much changed on previous indications. The front end fee totals ⅜ per cent and the mandate has been awarded to Genossenschaftliche Zentralbank.

The bank is currently assembling a lead management group and expects to put the credit into syndication next week. This is Austria's first openly syndicated Eurocredit since 1978.

$60m for Canadian pulp group

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

CONSOLIDATED - BATHURST, the Canadian pulp and paper concern, last night launched a U.S.$60m, 17½ per cent, seven-year Eurobond through Orion Royal Bank and Dresdner.

The issue, the price of which has been left open, was reportedly the only new fixed rate offering in a lacklustre market. Fixed interest bonds fell ½ point on the day

D-mark and Swiss franc foreign issues fell by ¼ and ½ points respectively yesterday. Deutsche Bank decided to postpone a DM 100m to DM 150m issue it had planned to launch for an unnamed industrial borrower.

Credit Suisse announced a SwFr 80m, nine-year bond with an indicated yield of 8 per cent for the Asian Development Bank.

Peru's Banco de la Nacion is raising a $25m five-year floating rate note with a margin of ⅞ per cent over six month Libor led by Arab Banking Corporation Arlabank.

Belgelectric launched a Fl 60m, five-year, 12¼ per cent private placement priced at 99½ through Amro Bank.

Osaka Cement is raising SwFr 20m through a five-year, 6¾ per cent convertible private placement led by Paribas Suisse and Trans America Financial has floated a SwFr 20m, eight-year, 8½ per cent placement through Soditic.

● Gaz de France is raising £100m through a placement of UK bankers' acceptances led by Kleinwort Benson. The facility, which carries an acceptance commission of ⅛ per cent, is intended to replace a previous borrowing in this market.

Eurodollar and equity futures for Bermuda

By David Marsh

THE COMPANY planning to open a computerised financial futures exchange in Bermuda next spring, yesterday announced that it proposes to trade in contracts based on equities and short- and long-term Eurodollar instruments.

Officials of the International Futures Exchange (Bermuda)—Intex—said in London that the contracts were based on the demand expressed by applicant members to the exchange and by representatives of other financial institutions around the world.

The exchange proposes trading in three short-term Eurodollar contracts, one in Eurodollar bonds, and three in equity indices developed from the 20 largest companies in each of Britain, Japan and the U.S. Futures contracts allow investors and money managers to hedge against volatile rate movements by buying and selling for delivery on future dates.

Keith Hunt adds from Hamilton, Bermuda: Mr Junius Peake, the president of Intex, said membership applications had been received from about 50 leading financial institutions and stockbrokers. Applicants have come from the U.S., Britain and Europe as well as Bermuda, Hong Kong and Singapore.

IBM buys in-bank sales space

BY IAN HARGREAVES IN NEW YORK

CUSTOMERS AT two branches of Chase Manhattan Bank in New York will soon, in addition to managing their finances, be able to buy computers.

International Business Machines, which is currently involved in a radical reorganisation of its sales and distribution methods, said yesterday it had agreed to buy space from Chase in order to reach "customers who might not otherwise be reached through our traditional marketing methods."

The traditional IBM method is a company-employed sales force, equipped with masses of technical knowledge and prodded by demanding personal sales targets.

IBM has already set up three of its own retail stores to get its products into the high street, as well as for the first time authorising a select group of non-IBM retailers to handle its smaller and lower-priced products.

Sears Roebuck and Computerland are selling the IBM personal computer, launched earlier this year.

The bank sales points will carry items such as typewriter ribbons as well as providing an opportunity for customers to test typewriters and the personal computer.

This revolution in retail philosophy, however, has not altered one IBM tradition. Asked whether the in-bank computer store concept would be used in other parts of the U.S., the company gave its stock response: "IBM does not speculate about future product developments."

Crocker sues on computer loss

BY OUR NEW YORK STAFF

CROCKER NATIONAL BANK of California, which is now part of the Midland Bank group, is sueing for more than $50m in damages for losses it incurred in the much-publicised collapse of a New York computer leasing firm, OPM.

The suits are against Rockwell International, Lehman Brothers Kuhn Loeb, and Singer Hutner Levine and Seeman, OPM's law firm.

Crocker alleges that Lehman Brothers, the Wall Street investment firm, recommended it advance funds to OPM without having properly checked OPM's credentials. The funds were used to buy computers which were leased to Rockwell the aerospace company.

Crocker is the latest to join a long list of institutions sueing to recover funds lost in the OPM affair.

Tandy to lease or buy tape unit from Memorex

By Our Financial Staff

MEMOREX, the Santa Clara-*based* computer memory company which is the subject of a $106m bid from Burroughs, has agreed to sell or lease its consumer products operations to Tandy Corporation, the U.S.'s largest retailer of consumer electronics products. Memorex did no disclose the price but said it did not expect a loss on the transaction.

The unit, which makes blank audio and video tapes, has annual sales of more than $70m.

Under the terms of the deal, Tandy may continue to use the Memorex brand name and logo for the tape products.

Memorex, which previously rejected a bid from Storage Technology, has suffered severely from weakness in overseas markets where 46 per cent of its revenues originate.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday November 11.

Closing prices on October 19

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
CIBC 15¾ 86	75	96⅛	96⅝	+0⅛	−0⅛	16.25
CIBC 16¾ 91	100	99⅜	99⅞	+0⅛	−0⅛	16.88
CNA 15½ 96	75	91⅜	92⅜	+0⅛	−0⅛	16.89
CNE 12¾ 91	100	80⅞	81⅜	−0⅛	−1⅛	16.93
Citicorp Int. Fin. 15 86	150	96⅞	97⅛	−0⅛	+0⅛	16.82
Citicorp O/S 15½ 84	175	99½	100	−0⅛	−0⅞	15.50
Cities Service 17 88	150	103	103½	−0⅛	−0⅞	16.18
Con. Illinois 14⅞ 84	100	96	96½	−0⅛	−1⅛	16.43
CPC Fin. 16⅜ 88	50	102⅞	103⅜	−0⅛	−0⅛	15.78
EEC 14⅝ 93	85	91⅜	91⅞	+0⅛	−0⅛	16.38
EIB 16½ 88	100	98⅜	98⅞	+0⅛	−0⅛	16.73
Fed. Bus. D. 15¾ 84 (J)	40	99	99½	−0⅛	−0⅛	15.99
Finland Rep. of 9½ 86	100	77⅜	77⅞	−0⅛	−1⅛	17.07
Ford Cr. O/S Fin. 16 84	150	99⅜	99⅞	−0⅛	−0⅛	16.20
Ford Cr. O/S Fin. 16 85	150	97⅝	98⅛	−0⅛	−0⅛	16.52
GMAC O/S Fin. 12⅞ 88	100	86⅞	87⅜	+0⅛	+0⅛	16.28
GMAC O/S Fin. 14⅝ 87	100	92½	93	−0⅛	−1⅛	16.75
Gulf States O/S 17½ 88	60	100⅞	101⅜	−0⅛	−1½	17.28
Hiram Walker 16 88	50	97⅞	98⅜	−0⅛	−0⅛	16.52
IBM Wld. Trade 14⅝ 84	100	100⅞	101⅜	−0⅛	−1⅛	14.23
IBM Wld. Trade 14⅝ 85	60	100⅜	100⅞	−0⅛	−1⅛	14.46
Nat. Bk. Canada 15¾ 84	40	*97⅞	98⅜	0	0	16.05
New Brunswick 17 88	50	101⅞	102⅜	0	−1⅛	16.48
Newfoundland 17⅛ 89	60	103½	104	−0⅛	−1⅛	16.36
Nova Scotia 15 91	75	92½	93	−0⅛	−1⅛	16.50
Pacific Gas Elec. 16 88	75	99⅞	100⅜	−0⅛	−1⅛	15.95
PSNH Int. Fin. 17 86	30	99⅞	100⅜	+0⅛	−0½	16.94
Royal Bk. Canada 14 86	100	96	96½	+0⅛	−0⅛	15.13
SNCF 13 91	75	82	82½	−0⅛	−0⅛	16.86
Shell Canada 15¾ 91	100	98⅜	98⅞	−0⅛	−1⅛	16.02
Sth. California 14 87	50	93⅜	93⅞	0	−1	15.75
Sth. California 14⅝ 88	50	93⅜	94⅛	+0⅛	−0⅛	16.26
Swed. Ex. Credit 13 86	75	87⅞	88⅜	−0⅛	−1⅞	17.14
Swed. Ex. Cred. 15½ 88	50	96⅜	96⅞	−0⅛	−0⅛	15.85
Tenneco Int. 17 89	100	102⅞	102⅜	0	−0⅛	16.40
Toronto-Dom. Bk. 14 84	50	95⅛	95⅝	−0⅛	−1⅛	16.20
Transcanada 17½ 88	75	103⅞	104⅜	0	−0⅛	16.73
Walt Disney 15¾ 86	100	99	99½	0	−1⅛	15.94
Wells Fargo Int. 15½ 84	50	99⅝	100⅛	−0⅛	−0⅛	15.44
Winnipeg 17 88	50	100⅞	100⅞	−0⅛	−1	16.80
World Bank 14½ 86	500	93⅜	93⅞	−0⅛	−1½	16.43
World Bank 16 85	210	98⅜	98⅞	−0⅛	−1⅞	16.40
World Bank 16 88	80	97⅞	98⅜	−0⅛	−1⅞	16.41
World Bank 16½ 88	130	99⅜	99⅞	−0⅛	−1⅛	15.68
World Bank 16½ 88	100	99	99½	−0⅛	−1⅛	16.67

Average price changes... On day −0⅛ on week −1

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 10 91	100	97⅜	97⅞	−0⅛	−0⅛	10.39
Austria, Rep. of 8½ 92	150	87	87½	−0⅛	−0⅞	10.24
CECA 7½ 92	150	†85⅜	86	−0⅛	−2	10.11
CECA 10 91	120	†98⅜	99	−0⅛	−2½	10.22
CII-Honeywell 8½ 90	125	†88⅜	89	−0⅛	+0⅛	10.40
Council of Europe 10 91	100	97⅞	98⅜	+0½	−1⅛	10.32
EIB 8½ 90	200	89½	90	0	−0⅛	10.30
EIB 10½ 91	200	†100½	101	−0½	−1	10.37
ESCOM 9¾ 87	100	91⅜	91⅞	0	0	11.26
Finland Rep. of 10 89	100	97⅜	97⅞	−0⅛	−0⅛	10.47
Iberduero SA 9 90	100	†90⅞	91½	−0⅛	−0⅛	10.59
Ind. Bk. Finland 8½ 90	50	†89⅞	90½	+0⅛	0	10.22
Int.-Am. Dv. Bk. 10 91	100	†98⅜	99⅜	0	−1	10.13
Japan Air Lines 8½ 87	100	92⅜	92⅞	−0½	−0⅛	9.82
Japan Dev. Bk. 7¾ 87	100	90	90½	−0⅛	−0½	9.88
Kobe, City of 8 90	100	90	90½	+0½	−0½	9.70
Midland Int. Fin. 8½ 90	180	91⅜	91⅞	+0⅛	0	9.97
Nuclebras 9¾ 89	100	†90⅜	91	−0⅛	0	11.80
OKB 8¾ 92	150	†87	87⅜	+0⅛	−1⅛	10.23
Oslo, City of 8½ 90	80	91⅞	92⅜	−0⅛	0	10.17
Renault Acc. 10⅛ 85	150	98½	98⅞	−0⅛	−0⅛	11.04
Venezuela R. of 9⅛ 90	150	94⅜	95	−0½	+0⅞	10.70
World Bank 8 90	700	86⅞	87⅜	−0⅛	−0⅛	10.26

Average price changes... On day −0⅛ on week −0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 6½ 91	60	†92	92½	0	−0⅞	7.67
BFCE 6½ 91	100	†90	92	+0⅛	+0½	7.89
Bayer Int. Fin. 5¾ 92	100	85½	86	0	−1⅛	7.16
Belgelectric Fin. 7¾ 91	100	99⅜	99⅞	−0⅛	−0⅛	7.78
Bergen, City of 6½ 91	40	96	96⅜	−0½	−0½	7.32
CECA 6¾ 91	80	92	92⅜	−0⅛	−2½	7.86
Denmark 5½ 90	80	86½	86½	0	0	7.97
Dome Petroleum 5¾ 91	100	88⅛	88⅞	+0⅞	−1½	7.54
Dome Petroleum 7¾ 90	100	99⅜	100	+0⅛	−0⅛	7.26
Elec. de France 5¾ 90	100	83⅞	83⅜	−1½	−2	7.87
Eurofima 5¾ 92	80	†88⅜	89	0	+0⅛	7.27
Finland, Rep. of 5¾ 90	80	86⅞	86½	−0½	−0⅞	7.81
Franc. Petroles 6½ 91	80	†90½	91	−0⅛	−0⅞	7.82
Genstar 7 91	100	99⅜	100	+0⅛	−0⅛	7.01
Int. Amer. Dv. Bk. 7 91	100	94⅞	94½	0	−0⅞	7.86
Japan Dev. Bank 5¾ 90	100	92	92⅜	+0⅛	0	6.96
Mt. Blanc Tunnel 5½ 90	80	84½	84⅞	+0⅛	0	7.98
Newag 5¾ 99	80	89½	89⅜	−0½	−1⅛	7.40
OKB 7 93	100	97⅜	97⅞	0	+0⅛	7.35
Oslo, City of 5⅞ 90	80	90	90⅜	−0⅛	+2⅛	7.42
Philips Lamps 5¾ 92	100	88	88⅜	−0½	−1	7.13
Swed. Ex. Credit 7¾ 91	75	93⅜	93⅞	+1	−1⅛	8.21
Trade Dev. Fin. 6½ 90	50	86	86½	+0⅛	−3⅛	8.39
Voest-Alpine 5¾ 90	80	86	86½	−0½	+0⅛	7.98
World Bank 6 91	100	87⅛	87½	−1⅞	−3⅛	7.96
World Bank 7 90	100	96⅜	96½	−0½	−0⅞	7.59

Average price changes... On day −0⅛ on week −0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8⅝ 91	15	96⅞	97⅜	+0⅛	−0⅛	8.73
Australia 8⅜ 88	20	95⅜	95⅞	−0⅛	+0⅛	8.46
EIB 7⅝ 89	12	93⅝	94⅛	−0⅛	0	8.81
Finland 6.8 88	10	86⅞	87⅜	0	+1	9.59
Finland, Rep. of 8⅝ 87	15	96⅞	97½	−0⅛	+0½	9.06
New Zealand 8⅝ 87	15	97	98	−0⅛	−0⅛	8.94

Average price changes... On day −0⅛ on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
CIBC 13½ 85 C$	60	90	91	0	0	17.17
CIBC 11½ 86 C$	60	84	85	0	+0⅛	17.41
Federal Dev. 11½ 90 C$	80	†76	77	0	+1½	16.77
Federal Dev. 17½ 86 C$	40	†98⅜	99⅜	0	−1⅛	18.05
Fst. Can. Inv. 10 84 C$	50	†85	86	0	+1½	17.36
GMAC (Can.) 16 87 C$	60	†104	106	0	+0½	16.73
Tordom Cpn. 13½ 85 C$	30	†92½	93½	−0½	0	15.13
M. Bk. Damk. 9 91 EUA	25	78⅛	79½	−1⅛	−2	12.84
SOFTE 8¾ 89 EUA	40	75½	76½	+0⅛	+0⅛	13.52
U. Bk. Nwy. 9½ 90 EUA	18	81	82	−0½	−0⅞	13.26
Algemene Bk. 10⅛ 86 Fl	60	93⅜	94⅛	−0⅛	−0⅛	12.05
Amro Bank 12 86 Fl	75	99⅛	100	−0⅛	−1⅛	12.07
Heineken NV 10 87 Fl	100	92⅛	93⅛	0	+0⅛	11.72
Ned. Mid. Bk. 10 86 Fl	60	94	94½	−0⅛	+0⅛	11.30
Ned. Midd. Bk. 10 85 Fl	75	95⅞	95⅜	−0⅛	+0⅛	11.48
Pierson 10⅛ 86 Fl	50	93⅛	93⅞	−0⅛	−0⅛	12.39
Rabobank 12 86 Fl	50	100	100½	0	−0⅛	11.88
Air France 14½ 86 FFr	200	91⅛	92⅛	+0⅛	+1⅛	17.19
Bk. America 14½ 86 FFr	250	91⅛	92⅛	+0⅛	+0⅞	17.21
Charb'nages 13⅞ 85 FFr	400	90⅛	91⅛	0	+0⅞	17.11
EIB 14⅛ 88 FFr	300	85⅜	86⅛	−0⅛	+0⅛	17.91
La Redoute 14⅛ 85 FFr	125	88⅞	89⅞	+0⅛	+0⅛	18.15
OKB 14 86 FFr	400	90⅛	91⅛	+0⅛	+2⅛	16.93
Solvay et C. 14⅛ 86 FFr	200	89⅛	90⅛	0	+0⅛	18.09
Swed. E. Cr. 14⅛ 86 FFr	250	88⅛	89⅛	0	+1⅛	18.29
U. Mex. Sts. 14 85 FFr	150	91⅛	92⅛	+0⅛	+0⅛	17.14
Acona 14 86 £	20	89⅛	90⅛	0	+0⅛	17.52
Beneficial 14⅛ 90 £	20	80⅛	81⅛	−0⅛	−0⅞	18.67
BNP 13½ 91 £	15	83⅜	84	−0⅛	+0⅛	17.11
CECA 13½ 88 £	20	86	86⅛	0	+1⅛	16.96
Citicorp O/S 13½ 90 £	50	86⅛	87⅛	+0⅛	−0⅛	16.47
Fin. Ex. Cred. 13½ 88 £	15	89⅞	90⅛	0	−0⅛	16.85
Gen. Elec. Co. 12⅞ 89 £	50	83½	84⅛	−0⅛	+0⅛	16.36
Hiram Walker 14⅛ 86 £	25	90⅞	91⅛	−0⅛	−0⅛	17.10
Privatbanken 14½ 88 £	12	89⅞	91⅛	0	+2	16.95
J. Rothschild 14⅛ 90 £	12	88⅞	89⅛	0	−0⅛	16.62
Royal Trustco 14 86 £	12	90⅛	91⅛	0	−1⅛	16.95
Swed. Ex. Cr. 13⅛ 86 £	20	89⅛	90⅛	0	−0⅛	17.16
Akzo 9¾ 87 LuxFr	500	84⅞	85⅞	0	0	12.89
Euratom 9¾ 88 LuxFr	500	86⅛	87⅛	+0⅛	+0⅛	12.82
Eurofima 10⅛ 87 LuxFr	500	88⅛	89⅛	+0⅛	+0⅛	13.30
EIB 9⅛ 88 LuxFr	600	83⅛	84⅛	0	−0⅛	13.58
Volvo 9⅞ 87 LuxFr	500	84	85	+0⅛	+0⅛	13.63

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Bank of Montreal 5¼ 90	0¼	98⅞	99⅛	18/12	16⅛	16.90
BBL Int. 5 86	0¼	99⅛	100	20/11	18.31	18.36
BNP 5½ 88	§0¼	99⅛	99⅞	29/10	18.81	18.88
Christiania Bk. 5½ 91	§0¼	98⅛	99⅛	5/11	19.19	19.38
Co-Ban Eurofin 5½ 91	0¼	98⅞	99⅛	14/4	16.69	16.88
Co-operative Bk. 6 86	0¼	99⅛	99⅛	15/11	19.56	19.66
Den Norske Credit 6 90	§0¼	99	99½	5/11	19.19	19.33
Genfinance 5¾ 87	0¼	99⅛	99⅞	30/10	16.94	17.00
Genfinance 5¼ 92	0¼	99⅞	100⅛	30/12	18.31	18.34
Giro und Bank 5¼ 91	§0¼	99⅛	99⅛	23/12	17½	17.59
GZB 5¼ 92	§0¼	98⅞	99⅛	5/12	17⅛	17.40
Ind. Bank Japan 5¼ 88	0¼	99½	100	9/4	16⅞	16.67
Lloyds Eurofin 8 90 £	0¼	95⅞	96⅛	6/1	13⅛	14.16
Lloyds Eurofin 5¼ 92	0¼	98⅞	99⅛	4/12	17.44	17.59
Lloyds Eurofin 5¼ 93	0¼	98⅛	99⅛	29/10	5⅛	5.31
LTCB Japan 5¼ 88	0¼	99⅞	100⅛	13/12	17⅛	17.25
LTCB Japan 5¼ 89	0¼	99½	100	16/1	18.32	18.36
Man. Hanov. O/S 5¼ 94	§0¼	99⅞	100⅛	30/11	19⅛	19.38
Midland Int. Fin. 5¼ 92	0¼	98⅞	99⅛	5/12	17⅛	17.46
Midland Int. Fin. 9 97	0¼	98⅞	99⅛	30/10	16.81	16.96
Nacional Fin. 5½ 88	0¼	98	98⅛	25/3	17.31	17.62
Nat. Bk. Canada 5¼ 88	0¼	99⅛	99⅛	24/3	17.31	17.40
Nat. West. 5¼ 94	§0¼	98⅞	99⅛	14/4	16⅛	16.77
Nat. West. Fin. 5¼ 91	§0¼	99⅛	99⅛	15/1	18⅛	18.22
Nat. West. Fin. 5¼ 92	§0¼	98⅛	99⅛	23/10	16.81	16.98
Pemex 6 91	0¼	97⅛	98⅛	8/4	17	17.37
Pemex 5¾ 88	0¼	97⅜	98⅛	14/2	18.21	19.20
Sanwa Int. Fin. 5¼ 88	0¼	†99⅛	99⅞	24/3	17⅛	17.36
Societe Generale 5¼ 91	0¼	98⅛	98⅞	22/1	18⅛	18.81
Sparebanken 6 87	0¼	98⅞	99⅛	19/12	16.81	17.00
Svenska Hndlsbk. 5 87	0¼	99⅞	100⅛	15/1	18⅛	18.13

Average price changes On day 0 on week −0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¾ 96	7/81	933	74⅛	75⅛	−6	−8.30
Bow Valley Inv. 8 95	4/81	23.12	92⅛	93⅛	−0⅛	34.39
Canon 6⅛ 95	1/81	829	110⅛	112⅛	−6⅛	−2.71
Daiwa Secs. 5½ 96	12/81	539	71⅛	73⅛	−5⅛	−8.74
Fujitsu 4½ 96	10/87	6770	89	90⅛	−1⅛	8.00
Furukawa Elec. 5¼ 96	7/81	300	90½	92	−5⅛	−5.32
Hanson O/S Fin. 9½ 96	8/81	2.74	180	81	−1	2.11
Hitachi Cred. Cpn. 5 96	7/81	1968	78	79	0	9.08
Inchcape 8 95	2/81	4.55	56	57½	−0½	22.40
Kawasaki 5¼ 96	9/81	229	74⅛	76⅛	−6⅛	−8.47
Marui 6 96	7/81	931	80⅛	81⅛	−6⅛	−2.71
Matsushita El. 7½ 95	11/80	550	74½	76	−2	−6.48
Minolta Camera 5 96	10/81	809	†69	70½	−5	−4.04
Murata 5¼ 96	7/81	2190	72⅛	74⅛	−1⅛	−6.91
NKK 6½ 96	7/81	188	85⅛	86⅛	−9⅛	−5.54
Nippon Chemi-C. 5 91	10/81	919	†73	74	−4⅛	−5.47
Ricoh 6⅛ 95	8/80	604	108	110	−3⅛	−3.02
Sanyo Electric 5 96	10/81	652	†76½	78	−4⅛	4.57
Sumitomo Met. 5¼ 96	10/81	305	70½	72	−5⅛	−5.78
Swiss Bk. Cpn. 6¾ 90	9/80	200	70⅛	72	−	12.26
Taylor Woodrow 8⅛ 90	1/81	4.94	75	76	−0⅛	1.43
Transco Int. 8⅛ 95	2/81	68	72⅛	74⅛	−0⅛	19.71
Tricorp 8½ 95	12/80	31.25	68½	70	0	24.91
Union Bk. Switz 5 89	2/80	70.79	76⅛	78⅛	−0½	6.60
Sharp Cpn. 6½ 88 DM	9/80	150	141½	143	−7½	−6.40
Uny Co. 6⅛ 85 DM	11/79	879.3	100⅛	101⅛	−0⅛	0.12

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: *The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions.* Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate († three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

NORTH AMERICAN QUARTERLY RESULTS

AMDAHL

	1981 $	1980 $
Third quarter		
Revenue	115.7m	99.7m
Net profits	7.5m	5.8m
Net per share	0.37	0.31
Nine months		
Revenue	319.1m	286.3m
Net profits	20.5m	8.6m
Net per share	1.00	0.47

AMERICAN HOME PRODUCTS

	1981 $	1980 $
Third quarter		
Revenue	1.15bn	1.06bn
Net profits	130.9m	118.3m
Net per share	0.84	0.75
Nine months		
Revenue	3.3bn	3.01bn
Net profits	369.4m	332.1m
Net per share	2.36	2.11

ARCHER DANIELS MIDLAND

	1981-82 $	1980-81 $
First quarter		
Net profits	48.2m	36m
Net per share	0.87	0.56

C. R. BARD

	1981 $	1980 $
Third quarter		
Revenue	84.3m	67m
Net profits	5.9m	4.4m
Net per share	0.60	0.48
Nine months		
Revenue	245.8m	175.3m
Net profits	16.6m	11.8m
Net per share	1.70	1.21

BLISS AND LAUGHLIN

	1981 $	1980 $
Third quarter		
Revenue	70.1m	60.9m
Net profits	3.9m	3.8m
Net per share	0.58	0.53
Nine months		
Revenue	216.8m	198.4m
Net profits	14.3m	13m
Net per share	2.14	1.80

CANNON MILLS

	1981 $	1980 $
Third quarter		
Revenue	183.2m	141.9m
Net profits	7.4m	†804,000
Net per share	183.2m	141.9m
† Loss		
Nine months		
Revenue	558.3m	474.6m
Net profits	23.4m	11.6m
Net per share	2.50	1.24

CONRAC

	1981 $	1980 $
Third quarter		
Revenue	34.6m	33.9m
Net profits	1.2m	969,000
Net per share	0.52	0.41
Nine months		
Revenue	104.3m	109.1m
Net profits	2.7m	3.4m
Net per share	1.12	1.49

FIRST NAT. BOSTON

	1981 $	1980 $
Third quarter		
Operating profits	29.1m	30.8m
Operating share	2.29	2.48
Nine months		
Operating profits	85.8m	80m
Operating share	6.79	6.45

GENERAL SIGNAL

	1981 $	1980 $
Third quarter		
Revenue	410.5m	364.2m
Net profits	27.3m	24.3m
Net per share	0.99	0.92
Nine months		
Revenue	1.27bn	1.13bn
Net profits	84.6m	74.3m
Net per share	3.06	2.88

GILLETTE

	1981 $	1980 $
Third quarter		
Revenue	563.2m	565.7m
Net profits	10.3m	29.1m
Net per share	0.34	0.96
Nine months		
Revenue	1.73bn	1.69bn
Net profits	65.8m	99.4m
Net per share	2.18	3.29

W. R. GRACE

	1981 $	1980 $
Third quarter		
Revenue	1.58bn	1.50bn
Net profits	97.1m	68m
Net per share	2.04	1.47
Nine months		
Revenue	4.76bn	4.42bn
Net profits	279.6m	219.3m
Net per share	5.87	4.67

W. W. GRAINGER

	1981 $	1980 $
Third quarter		
Revenue	233.1m	209.9m
Net profits	15.2m	12.9m
Net per share	1.06	0.91
Nine months		
Revenue	649.9m	576m
Net profits	38.9m	31.8m
Net per share	2.73	2.26

KAISER CEMENT

	1981 $	1980 $
Third quarter		
Revenue	1.18m	1.29m
Net profits	9.7m	9.7m
Net per share	66.2m	65m
Nine months		
Revenue	184.5m	173.1m
Net profits	18.3m	17.1m
Net per share	2.20	2.35

KIMBERLEY CLARKE

	1981 $	1980 $
Third quarter		
Revenue	713.7m	656.7m
Net profits	42.6m	43.9m
Net per share	1.93	1.90
Nine months		
Revenue	2.16bn	1.92bn
Net profits	156.2m	137.9m
Net per share	6.91	5.93

ARTHUR D. LITTLE

	1981 $	1980 $
Third quarter		
Revenue	41.6m	39.7m
Net profits	1.8m	1.3m
Net per share	0.71	0.51
Nine months		
Revenue	129.4m	118.4m
Net profits	4.7m	3.8m
Net per share	1.86	1.51

LOUISIANA-PACIFIC

	1981 $	1980 $
Third quarter		
Revenue	254.4m	298.5m
Net profits	†12.6m	14.7m
Net per share	†0.08	0.48
† Loss		
Nine months		
Revenue	817m	892.2m
Net profits	20.9m	48.6m
Net per share	0.68	1.59

LONE STAR INDUSTRIES

	1981 $	1980 $
Third quarter		
Revenue	247.6m	252.8m
Net profits	15.4m	22.3m
Net per share	1.26	1.97
Nine months		
Net profits	36.8m	43.3m
Net per share	3.01	3.88

McGRAW-HILL

	1981 $	1980 $
Third quarter		
Revenue	297.8m	272.7m
Net profits	32.1m	28.8m
Net per share	1.29	1.16
Nine months		
Net profits	69.5m	61.5m
Net per share	2.79	2.48

PARKER HANNIFIN

	1981-82 $	1980-81 $
First quarter		
Revenue	286m	240.8m
Net profits	11.6m	10.2m
Net per share	0.47	0.45

PENN CENTRAL

	1981 $	1980 $
Third quarter		
Revenue	935.4m	543.8m
Net profits	58.5m	32.4m
Net per share	2.33	1.10
Nine months		
Revenue	2.49bn	1.45bn
Net profits	136.8m	78.1m
Net per share	5.18	2.40

PUROLATOR

	1981 $	1980 $
Third quarter		
Revenue	183m	140.1m
Net profits	8m	4.2m
Net per share	1.84	0.94
Nine months		
Revenue	524.3m	416m
Net profits	20.9m	7.8m
Net per share	4.74	1.76

RIGGS NATIONAL

	1981 $	1980 $
Third quarter		
Net profits	6.4m	6.8m
Net per share	2.14	2.29
Nine months		
Net profits	18.6m	19.4m
Net per share	6.18	6.47

ROHM AND HAAS

	1981 $	1980 $
Third quarter		
Revenue	448m	403.9m
Net profits	21.6m	22.6m
Net per share	1.67	1.75
Nine months		
Revenue	1.47bn	1.3bn
Net profits	73.9m	76.7m
Net per share	5.72	5.95

SEAFIRST

	1981 $	1980 $
Third quarter		
Operating profits	21.3m	17.5m
Operating share	1.37	1.15
Nine months		
Operating profits	57.8m	51.3m
Operating share	3.73	3.38

G. D. SEARLE

	1981 $	1980 $
Third quarter		
Revenue	232.5m	217.6m
Operating profits	34.8m	18.2m
Operating share	0.67	0.34
Nine months		
Revenue	684.3m	605m
Operating profits	90.6m	67.9m
Operating share	1.74	1.28

SECURITY PACIFIC

	1981 $	1980 $
Third quarter		
Net profits	53.6m	48.9m
Net per share	1.80	1.77
Nine months		
Net profits	153.6m	132m
Net per share	5.28	4.77

SHERWIN-WILLIAMS

	1981 $	1980 $
Third quarter		
Revenue	399m	348.8m
Net profits	14.6m	10.8m
Net per share	1.45	1.06
Nine months		
Revenue	1.11bn	967.3m
Net profits	31m	21.2m
Net per share	3.05	2.10

SIGNAL CO'S

	1981 $	1980 $
Third quarter		
Revenue	1.45bn	1.12bn
Net profits	56.8m	35m
Net per share	0.78	0.48
Nine months		
Revenue	4.03bn	3.49bn
Net profits	161.9m	140m
Net per share	2.23	1.93

SOUTHERN PACIFIC

	1981 $	1980 $
Third quarter		
Revenue	828.4m	727.4m
Net profits	36.7m	53.5m
Net per share	1.36	1.99
Nine months		
Revenue	2.46bn	2.11bn
Net profits	104.2m	91.6m
Net per share	3.86	3.40

TYLER

	1981 $	1980 $
Third quarter		
Revenue	213.1m	142.7m
Net profits	7.8m	6.2m
Net per share	0.84	0.63
Nine months		
Revenue	540.2m	414.2m
Net profits	20.8m	13.8m
Net per share	540.2m	414.2m

Matra sees profits setback

By David White in Paris

THE PUBLICATION of detailed plans for the French Government's acquisition of a controlling stake in Matra, the arms and advanced technology group, coincided yesterday with the announcement of the first serious setback in the company's profits.

Matra said that parent company net earnings were likely to be little more than FFr 100m ($18m) this year, half the 1980 level, on turnover of FFr 4bn.

The forecast takes into account provisions for losses in some of the group's less successful offshoots—notably car bodies and watches. But the company said that management efforts and injections of expertise should lay the basis for a "durable recovery."

Net profit in the first half of this year was FFr 54.5m, on sales of FFr 1.6bn.

Details have, meanwhile, been revealed of the process by which the state plans to take a 51 per cent shareholding in Matra while leaving the group's important publishing interests—above all the wide-ranging Hachette group, taken over last year—in private hands.

The agreement marks the company's success in achieving a compromise.

The Government's first intention was to take over completely Matra's arms activities — mainly missiles —and leave the rest alone. But M Jean Luc Lagardere, chairman, argued that the arms sector was central to the group's activities and above all to its research effort.

The provisional agreement provides for a partial takeover in three stages. In the first, Matra will make over its publishing interests to a new company, dubbed MMB. This will include its stakes in Marlis, the holding company which now controls the Hachette empire.

In the second stage, shareholders will be asked to approve a free issue of MMB shares and a Matra capital increase reserved for the state or for state-owned bodies.

As a result, Matra will own the publishing interests and the state will have a majority in the remainder of the group.

Daimler-Benz's exports help boost sales by 14%

BY KEVIN DONE IN FRANKFURT

DAIMLER-BENZ, the West German car and commercial vehicle manufacturer, increased turnover by 14 per cent in the first nine months of 1981 to DM 26bn ($11.8m) and expects "satisfactory profits" for the year as a whole.

The rise in sales has chiefly been achieved through higher exports. But the company has also gained from the weakness of the D-mark against the dollar, and from the consolidation for the first time of its majority-owned Spanish subsidiary.

Sales of the parent company rose by 7 per cent to DM 20.9bn. Of this total domestic sales showed a decline of 4 per cent to DM 10.1bn, while export sales jumped to DM 10.8bn, an increase of 20 per cent. Exports accounted for 51.5 per cent of parent company sales in the nine months compared with 46.1 per cent.

No details of quarterly profits were included in the letter to shareholders released yesterday.

United Car and Diesel Distributors, the South African assembler and distributor of Mercedes Benz vehicles, is to spend R200m ($210m) on an expansion programme. Daimler Benz has a minority stake in UCDD. The company will double its car production capacity and increase truck capacity by 70 per cent.

Car production in the three quarters at 323,298 shows a marginal decline of 0.2 per cent, but the company is expecting car production for the whole of the year to total 437,000 units, against 429,000.

The daily car production rate has been raised by 2.2 per cent this year to 1,746 from 1,709 in the first nine months of 1980.

With its range of prestige cars Daimler-Benz has managed to escape most of the impact of the wide-ranging recession in the world motor industry. But it has run into problems in light commercial vehicles and also in the local markets of Brazil and Argentina where the turmoil in the local economies has led to temporary production shutdowns and redundancies.

Production of light commercial vehicles under six tonnes at Bremen and Düsseldorf has fallen by 13 per cent to 54,073 as a result of the sharp fall in demand in the West German and other Western European markets.

The even more abrupt drop in sales of heavy trucks in Western Europe has been more than compensated for by the jump in sales to overseas markets, particularly to the Middle East.

Overall Daimler-Benz commercial vehicles production world-wide showed a small gain of 3 per cent to 204,400, helped by the inclusion of Spanish production. Domestic output fell by 1 per cent to 146,767.

German corporate profits decline

BY STEWART FLEMING IN FRANKFURT

PROFITS OF West German companies fell as sharply in the first half of 1981 as they did in the recession after the 1974 oil crisis, the Bundesbank, reported yesterday.

The central bank also said that, poor earnings and sales prospects had begun to slow the growth of corporate investment.

The central bank's report estimated that corporate profits fell by 15 per cent in the first half of 1981 from a year earlier and were 7.5 per cent down from the second half of 1980.

Rising raw material costs, especially of oil, rising wage costs and an initial reluctance to lay off workers, all contributed to the profits squeeze.

It estimates that capital spending on buildings and plant rose by 3.5 per cent from the first half of 1980, which is lower than the rate of inflation of about 6 per cent. This compares with a rise of 12 per cent in the first half of 1980 and a rise of 7 per cent in the second half of 1980.

The Bundesbank said that nonetheless the level of capital investment remains high.

But the central bank also drew attention to unfavourable long term trends. The productive potential of the economy increased by 4.5 per cent a year 1963-70 but, growth slowed to a 2.5 per cent annual rate 1975-80. Rising wage costs, an increasing tax burden, oil price increases and competition from developing countries were factors in the slowdown.

The central bank's analysis provides support for comments made recently by Dr Helmut Schlesinger, the vice-president, who argued that increasing emphasis needs to be put on improving the profitability of the corporate sector rather than on maintaining real earnings of workers in order to help Germany meet the growing challenge in international markets.

Swedish Match reports plunge in earnings

BY WESTERLY CHRISTNER IN STOCKHOLM

SWEDISH MATCH, reports earnings of SKr 15m ($2.7m) for the first eight months of this year, compared to SKr 111m.

For the year as a whole the management expects a "somewhat lower" 1981 operating result. The 1980 pre-tax profit was SKr 232m on sales of SKr 6.4bn.

Match blamed several factors on the sharp setback: steeper financial costs due to significantly higher interest rates, a less favourable currency exchange rate development; a more pronounced general economic decline in Europe than earlier expected; and continued restructuring of several group operations.

Despite the forecast decline Match believes the restructuring efforts being undertaken, to restore profitability to a satisfactory level—covering production capacity cuts in the newly created door and kitchen groups—will bear fruit by next year. This will result in a "clearly positive effect" on 1982 earnings.

Furthermore the 10 per cent devaluation of the Swedish krona last month is expected to help improve the competitiveness of the group's export-oriented units.

Group investments amounted to Skr 168m during the eight months against Skr 171m. Group liquidity fell to Skr 203m from Skr 392m at the end of last year.

The core match operation returned unchanged operating earnings of Skr 75m on a 9 per cent sales advance to Skr 935m during the eight months. Profits from gas operations on Profit Island, in the U.S., amounted to Skr 8m during the period, but the company estimates a Skr 50m annual profit from the venture when in full swing.

The Tarkett group lifted its operating result by Skr 1m to Skr 30m on a 17 per cent sales gain to Skr 519m.

Elsevier sells U.S. publishing subsidiary

By Charles Batchelor in Amsterdam

ELSEVIER-NDU, the Dutch publishing group, has sold its U.S. general publishing subsidiary Elsevier-Dutton to JSD Corporation of New York.

Earlier negotiations with Volt Information Sciences broke down in September despite the signing of a letter of intent. But Elsevier reached speedy agreement with JSD on a sale under the same terms. It declined to name the purchase price.

Dutton has been loss-making in recent years. It has annual sales of $16m and employs more than 100 people. It will change its name to E. P. Dutton.

JSD Corporation is part of the Dyson, Kisner, Moran group, a family-owned holding company with large stakes in a number of listed companies. JSD publishes newspapers but has no book interests.

Elsevier bought Dutton in 1974 hoping to establish a base to buy U.S. copyrights which it could use in other markets. But the fragmentation of the copyright market both geographically and into hard-cover, paperback and film rights sections and the growth of copyright agents has meant this approach is no longer appropriate, said Mr D. P. van de Merwe, a member of the managing board. Dutton, primarily a hard-cover publisher was too small to compete just in the U.S. market.

Changes in the market also prompted Elsevier's recent sale of the British fine art publisher Phaidon, to its management, and of its French subsidiary Elsevier-Sequoia.

Elsevier intends to concentrate its activities in the U.S. on specialized magazines and electronic data transmission in the scientific and medical fields.

KemaNobel's income falls

BY WILLIAM DULLFORCE IN STOCKHOLM

KEMANOBEL, THE Swedish chemicals group, reports a slump in pre-tax profits from SKr 100.4m to SKr 21.6m ($3.9m) on a 5 per cent fall in sales to SKr 2.1bn ($380m) for the first eight months

If the associated companies, in which KemaNobel holds between 20 and 50 per cent are included, the pre-tax figure plummets from SKr 122m to SKr 7m. After extraordinary items the fall is from SKr 128m to SKr 18m.

The result for 1981 as a whole will be improved by the capital gain from the sale of KemaNobel's 21 per cent stake in Supra, the Swedish fertiliser company, to Norsk Hydro of Norway.

Last year the group returned unchanged earnings of SKr 115m on a SKr 3.4bn turnover or SKr 168m after extraordinary items. In April this year Mr Ove Sundberg, the managing director, said he expected earnings to improve

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Poor first half for Japanese stores

BY YOKO SHIBATA IN TOKYO

JAPAN'S TOP five department store groups report disappointing earnings performances for the first six months to end-August, with two of them showing sharp declines in operating profits. The slow recovery in consumer spending, a cool summer and higher corporate tax were all to blame.

Because of the persistent cool weather for the second consecutive year and a rainy June and early July, department stores held summer sales earlier than usual which resulted in lower gross profit margins. When the hot weather set in during July and lasted to the end of August, sales picked up but did not contribute much to earnings.

SIX MONTHS TO AUGUST 31

Company	Sales Ybn	Change on year %	Operating profits Ybn	Change on year %	Net profit Ybn	Change on year %
Mitsukoshi	275.43	+7.1	7.17	−22.2	4.37	−12.8
Takashimaya	210.04	+6.8	5.20	+ 3.1	2.21	− 4.8
Daimaru	207.98	+3.2	3.71	−25.9	1.82	−32.3
Matsuzakaya	163.38	+6.1	3.29	+ 3.7	1.94	+ 4.4
Sogo	94.62	+10.5	2.39	+ 7.0	1.17	− 9.1

Only Sogo department stores, with its main business in Kobe city, achieved a double-figure sales growth (10.5 per cent).

Improvement in financial balances (dividend and interest received minus dividend and interest paid) helped Takashimaya, Matsuzakaya and Sogo post earnings improvements. They also benefited from a cut in the interest rate.

Mitsukoshi suffered a setback in operating profits (down 22.2 per cent), with net financial revenue reduced by Y2bn, compared with the previous year. The company reached short-term borrowing of Y15.4bn in its financial balance sheet for the first time during the last four years.

Daimaru suffered a decline of 25.9 per cent in operating profits and again higher borrowings were partly to blame. Its second position in terms of sales was taken over by Takashimaya.

In the current half-year ending February 1982, the stores expect a sharp upturn of sales because of a pick-up in consumer spending indicated by record department store sales in September. Sales in the second half always tend to be higher than in the first half.

Hartogen seeks control of Cluff Oil Australia

BY GRAEME JOHNSON IN SYDNEY

HARTOGEN ENERGY yesterday made a A$15m (U.S.$17.5m) partial takeover offer for Cluff Oil Australia. The move was not unexpected and comes at a time when many small exploration companies are jockeying for an interest in the Bass Strait oil hunt off the coast of Victoria.

During recent weeks Hartogen had built up a 19.9 per cent interest in the local offshoot of Cluff Oil of the U.K. Its rival exploration group, Weeks Australia, also built up a strategic beach-head of just under 16 per cent in Cluff.

Yesterday's offer by Hartogen for 20m Cluff Oil shares at 75 cents a unit will lift its stake to 57.21 per cent of the issued capital and caps a very well-planned share raid.

Hartogen is offering a premium of 4 cents a share above Cluff's peak price of 71 cents achieved during the share buying melee. The partial offer capitalises Cluff at A$37.82m.

However, Hartogen has not extended its offer to cover 35.5m options Cluff has on issue. This could, once exercised, hold the key to the balance of control of Cluff, if a tussle were to emerge between the British parent, Hartogen and Weeks.

Through a quirk in the companies legislation, companies are not required to disclose option shareholdings. Hartogen has been a keen buyer of options and is thought to have amassed more than 30 per cent of the options on issue. But directors of the company have refused to divulge the extent of Hartogen's option shareholding.

The race between Hartogen and Weeks to grab large shareholdings in Cluff was to ensure that each had a sizeable stake in permits in the Bass Strait relinquished by BHP-Esso.

A consortium of which Cluff is 12.5 per cent stakeholder was awarded a Bass Strait exploration permit by the Victorian Government. If Hartogen succeeds in gaining the 57.21 per cent of Cluff Oil sought, it will have established an indirect stake in the permit equal to a 7.15 per cent interest.

Although Foreign Investment Review Board guidelines would hamper a rival bid by Weeks Australia, the battle for control of Cluff Oil is seen by market observers as being far from over.

Promet buys 50% stake in U.S. oil rig venture

BY WONG SULONG IN KUALA LUMPUR

PROMET, the rapidly expanding Malaysian-Singapore oil rig builder and construction group, has entered into an agreement to take up a 50 per cent stake, worth U.S.$21.63m, in a U.S. oil rig venture.

Promet, formerly called Bovis Southeast Asia, announced that through its wholly-owned subsidiary, Promet of Singapore, it is taking half of Baker's Port of Texas, a subsidiary of Baker Marine, itself a unit of Baker International, the U.S. manufacturer of hardware for oil and gas wells.

Baker's Port owns 3,000 acres of industrial land at Ingleside, near Corpus Christi in Texas, of which about 400 acres have been leased out to various industrial companies.

Promet said it and Baker Marine intend to use part of the remaining 2,600 acres as a marine fabrication yard, providing a wide range of service to the oil industry.

Promet has a marine fabrication yard in Singapore, which has full order books for several years, and is unable to expand because of an acute shortage of space.

Under the deal, Promet will pay an immediate sum of U.S.$3.63m, with six annual payments of U.S.$3m each from August 1982 to 1987. For the six months ended June, Promet made a pre-tax profit of ringgit 19m ($8.32m), compared to a loss of ringgit 500,000 for the same period in 1980.

● The Malaysian Government has set up a national helicopter company to meet the acute need for such services in many parts of the country, particularly the oil growth centres.

The Federal Government's participation will be through its national carrier, Malaysian Airline System, which is taking 40 per cent equity in the new company, Malaysian Helicopter Services Berhad (MHS).

The remaining 60 per cent will be taken by three state governments, and a private company, Malaysia Air Charter, with each holding 15 per cent.

MHS has an authorised capital of 100m ringgitt (US$43.76m) and a paid up capital of 30m ringgit. A government statement said MHS was currently evaluating a helicopter fleet for its proposed operations, and recruitment of personnel was expected soon.

UK COMPANY NEWS

Rosemary Burr looks at the lengthy negotiations over International Commodities Clearing House

Why a City institution had to be sold

NEGOTIATIONS FOR the sale of leading financial institutions are generally very long and tough. They may be further complicated by the intervention of regulatory authorities such as the Bank of England and the Treasury.

The City is currently the venue for just such a sale as the future ownership of the International Commodities Clearing House (ICCH) is thrashed out. For many people outside the close-knit community of commodity brokers ICCH is an unknown quantity.

ICCH fills a unique position in the country's financial sector as the clearing house for commodity contracts traded on the London futures market. It also expects to service the newly formed gold, currency and financial futures markets due to start trading next year.

Unlike some of its overseas counterparts ICCH not only registers and clears transactions for its members but guarantees that these contracts are fulfilled. In contrast, for example, the New York exchanges operate under a system whereby the individual users mutually guarantee each other's debts.

It is because ICCH guarantees all its members' transactions that its financial backing must be both substantial and meet the approval of the Bank which supervises the commodity markets. ICCH now handles about 20,000 lots a day with an average value per lot of £8,500.

ICCH's profits depend on both the volatility of the commodity markets it serves and the level of interest rates. The company derives its revenue from two sources, registration fees and interest an daccommodation charges.

ICCH charges a registration fee on each lot bought or sold on a scale negotiated with the market associations. Once a clearing member has contracts registered in his name, he becomes responsible to ICCH for providing financial cover as may be requested by the clearing house. This cover takes the form of deposits and daily margins.

An accommodation charge is made by the clearing house on all amounts of margins or deposits secured other than by cash in the currency of the contract. In addition, interest is also charged on current account debit balances.

ICCH has been providing futures markets in London with clearing and guaranteeing services since its formation as the London Produce Clearing House in 1888. It has now hit the headlines after nearly a century of obscurity because of its recent growth and the need for financial backing of sufficient muscle and international renown to support this increased level of activity.

Growth was particularly rapid in the last annual period for which published accounts are available. In the year to June 30, 1980 ICCH made a net profit of £3.6m against £1.9m the previous year. Growth was fuelled by an active London market, a fourfold increase on the Sydney Futures Exchange, which the company also services, and better results from its Hong Kong operations. In addition, high interest rates had dramatically improved the group's return on its capital funds. The average rate had risen from 11¼ per cent in 1978-79 to 16¼ per cent.

United Dominion Trust, the once troubled finance house, has because of a quirk in history owned ICCH since 1950. It was in that year, so the story goes, that after a few hours of thought Mr Gibson Jarvie, founder of UDT, agreed to buy for net asset value the London Produce Clearing House from disconsolate shareholders who were seeking to wind up the company which had languished through lack of business. At that time, the company's £350,000 capital was invested in war loan which produced a relatively paltry dividend. The name was changed in the 1960s.

As the markets which ICCH served grew and it spread its wings overseas to Australia and Hong Kong among other places, UDT was faced with pressure from some market users to sell ICCH to an internationally recognised financial heavyweight. On several occasions possible disposal to a consortium of clearing banks was mooted.

> The only buyers acceptable to the Bank, the Treasury and the users turned out to be the clearers

The issue would have come to a crunch within the next 12 months even if the Trustee Savings Bank had not come along and bought UDT for £110m cash in March. The reason why some change in ownership was on the cards was that the fledgeling financial futures markets which were keen to use ICCH services expressed the proviso that the company should show sufficient capital backing to support the anticipated growth in business the new markets would generate.

Mr Michael Jenkins, chief executive of the London Financial Futures Exchange, said that one of the conditions of it using ICCH services was satisfactory evidence of its owners' financial standing and international recognition that ICCH was in safe and respectable hands. The owner would need sufficient funds to increase ICCH capital to the level needed to support the greater business.

ICCH has received several capital injections over the years. In the last 10 years, capital has been increased from £500,000 to £15m. The most recent increase was last year when issued capital was increased by £2.5m to £15m partly through retained profits and partly from UDT.

When the TSB bought UDT it immediately announced its intention to sell ICCH, and sought both Treasury and Bank of England approval to maintain a small stake in the business. The outcome of these consultations was an announcement a month ago that talks were to start with a consortium of the five clearing banks and that the TSB had gained permission to maintain a stake in ICCH.

Originally Lazards, the TSB's financial advisers, hoped to get several competitive bids. In the event, the only buyers acceptable to the Bank, the Treasury and users turned out to be the clearers.

Since then, there has been complete silence from both parties. Both sides have admitted that negotiations have not formally started and that exchanges between the two have been restricted to letters via their respective merchant banks.

The banks seem loath to make a firm offer speedily in the absence of a profits forecast. The TSB appears to have thought a suitable price tag for ICCH was £80m which would put the company on a p/e of about 20. The banks are believed to have baulked at this, and still seem to have reservations about the long-term rate of growth which can be expected from ICCH.

The banks are believed to be worried about the absence of any future profits growth projections in the light of a possible downturn in interest rates and changes in commission fees. In addition, they are thought to oppose the TSB's desire to include a notional price for the business likely to be generated from the financial futures market when they argue ICCH would not get this contract under its present ownership and without another capital injection.

The negotiations appear unlikely to be concluded much before Christmas as the banks have yet to assimilate the information given, let alone come to a joint offer. The question of division of equity also remains to be solved. It looks likely that the big four clearers will take equal and substantial stakes, leaving Williams & Glyn's and the TSB with smaller stakes.

Mr Arthur Richards, UDT's chief executive, a director of TSB Holdings and deputy chairman of ICCH, said that he hoped the transition would be done smoothly and as quickly as possible. The consortium appears to be examining ICCH at a leisurely pace and seems unlikely to offer the £80m originally sought by the TSB. If the two parties fail to come to an agreement, the Bank and/or the Treasury may have to play the part of go-between.

How ICCH operates in the market

ONCE a trade has been executed on the market, the details are passed to ICCH for entry into their computer system. At various times throughout the day, the trades so far notified to ICCH are printed on to a Broker Trading Sheet (BTS) for each floor member. The floor member checks the BTS, allocates trades done on behalf of other clearing members to their separate accounts with ICCH and returns the BTS to ICCH.

Overnight all the day's trades are printed on to a Member Trading Statement (MTS) for each member unless they are out of town or overseas members, when a telex is sent. The member then checks the MTS and either returns the top copy signed or sends a confirmation telex. On completion of the confirmatory procedures, all clearing members receive a Registration Statement listing all new business.

This document incorporates the guarantee from ICCH for due fulfilment of trades detailed. Once a clearing member has contracts registered in his name, he becomes directly responsible to ICCH for providing financial cover for these contracts as may be requested by ICCH. This cover is for deposits and daily margins and should be provided by means of cash although, at the discretion of the directors, bank guarantees may be used.

LEGAL NOTICE

No. 003197 of 1981

In the HIGH COURT OF JUSTICE Chancery Division, Group A. In the Matter of ROYAL INSURANCE COMPANY LIMITED and in the Matter of ROYAL LIFE INSURANCE LIMITED and in the Matter of the INSURANCE COMPANIES ACT 1974.

NOTICE IS HEREBY GIVEN that a Petition was on 25th September 1981 presented to Her Majesty's High Court of Justice by the above-named Royal Insurance Company Limited (hereinafter called "Royal") for the sanction of the Court under Section 42 of the Insurance Companies Act 1974 to a Scheme to transfer to the above-named Royal Life Insurance Limited (hereinafter called "Royal Life") the long term business (as defined in Section 1(2) of the Insurance Companies Act 1974) of Royal.

Copies of the said Petition (including in the Appendix to the Schedule thereto the said Scheme) and of the Report on the terms of the said Scheme by an independent Actuary required by Section 42(2) of the said Act will be open to inspection at each of the offices of Royal specified in the Schedule hereto during normal business hours on any day except Saturdays, Sundays and public holidays prior to the hearing of the said Petition.

AND NOTICE IS HEREBY FURTHER GIVEN that the said Petition is directed to be heard before the Honourable Mr Justice Vinelott at the Royal Courts of Justice, Strand, London on Monday the 23rd day of November 1981 and any person (including any employee of Royal or Royal Life) who alleges that he would be adversely affected by the carrying out of the said Scheme will be entitled to appear at the time of the hearing in person or by Counsel, in which case he is requested to give not less than two clear days' previous notice in writing of his intention so to appear with the grounds of his objection to the undersigned solicitors.

ANY policyholder of Royal who dissents from the proposed Scheme but does not desire to appear on the hearing of the said Petition should give not less than two clear days' previous notice in writing of such dissent with the grounds thereof to the undersigned solicitors.

A copy of the said Petition and report will be furnished to any person requiring them by the undersigned solicitors at any time before an Order sanctioning the said Scheme is made on payment of the regulated charge.

DATED this 15th day of October, 1981.

THE SCHEDULE
hereinbefore referred to

In the United Kingdom
25, Wellington Place, Belfast 1.
5, Waterloo Street, Birmingham 2.
5, Nelson Street, Bristol.
39, Windsor Place, Cardiff.
44, Wellesley Road, Croydon.
101, George Street, Edinburgh.
80, Buchanan Street, Glasgow 1.
38, Westgate Street, Ipswich.
10, Park Row, Leeds 1.
159, Charles Street, Leicester.
New Hall Place, Old Hall Street, Liverpool.
1, Cornhill, London E.C.3.
John Adam House, 17 John Adam Street, London W.C.2.
8, Exchange Street, Manchester.
45, Grey Street, Newcastle-on-Tyne 1.
St James House, Vicar Lane, Sheffield.
Arundel Towers North, Portland Terrace, Southampton.
51, Clarendon Road, Watford.
In Jersey
15, Royal Square, St Helier.
In Guernsey
La Tour Gand House, North Esplanade, St Peter Port.
In the Isle of Man
19, Athol Street, Douglas.

LINKLATERS & PAINES (ARob),
Barrington House,
59/67 Gresham Street,
London EC2V 7JA.
Solicitors for the Petitioner.

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COMPANY NOTICES

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20th October, 1981.

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NOTICE IS HEREBY GIVEN that Metropolitan Estate and Property International N.V. has selected U.S. Dollars as the currency of payment in respect of all Coupons No. 8 dated 15th November 1981 provided no valid contrary selection is made by the holders thereof on or before 30th October 1981 pursuant to the Terms and Conditions of the Bonds.

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20th October 1981.

PERSONAL

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EXHIBITIONS

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Wall Street off 7 at 1pm

Stocks continued to slide across a broad front at mid-session on Wall Street as the market reacted to President Reagan's statement that the economy is in a "mild recession."

The Dow Jones Industrial average was off 7.04 at 1 pm. Declines led advances by three to one and volume totalled 29.4m shares compared with 25.40 at 1 pm Friday. The NYSE All Common Index was off 46 cents at $68.67.

Anlyasts said investors were also concerned that the $5.6bn rise in the M1-B measure of the money supply last week will temporarily stall any further declines in interest rates.

Prices were down in almost every industry sector, with Oil, Technology and Transportation issues showing especially heavy declines.

Among the losers were Superior, off $1 to $31½. Standard Oil Ohio $1⅜ to $42¼. Data General $1½ to $48⅜. CSX $1½ to $53 and Burlington Northern $1¼ to $47⅜. Burlington Northern declined in spite of reporting higher earnings.

The most active stock was Crown-Zellerbach, of $½ to $26⅞. A block of 1.2m shares traded at $26¼ accounted for most of the volume in that issue.

Frank B. Hall dropped $1⅜ to $33⅞. the FTC has asked the company for more information regarding purchases of its stock by Ryder Systems. Ryder currently holds 4.9 per cent of Hall and wants to buy more than 15 per cent.

Vornado rose $1⅝ to $12½ inspite of reporting lower September sales. Northrop gained $1½ to $44. It was named prime contractor for the air force's stealth bomber project. Gino's dropped $4½ to $9¼ after announcing that merger talks with an unidentified firm were terminated.

THE AMERICAN SE Market Value Index was off 2.31 to 304.88 at 1 pm on volume of 1.6m shares (1.95m).

Closing prices for North America were not available for this edition.

Canada

Stock prices continued to decline from last week with losing issues outnumbering gains more than two to one.

At mid-session the Toronto composite index was off 21.5 at 1,888.9 on volume of 1.68m shares.

Thirteen of the 14 indices declined, paced by Golds off 170.7 to 3,476.3. Oil and Gas 64.9 to 3,526.5. and Transportation 30.3 to 2,705.3.

Among the actives, the Toronto Dominion Bank rose ¼ to C$30, Bank of Montreal gained an ⅛ to C$26¾ while the Royal Bank fell ⅛ to C$27½.

Tokyo

Tokyo share prices continued to plunge on a broad front yesterday, with Blue Chips, Heavy Electricals and Large Capital shares among those hit.

The Nikkei Dow Jones Index plunged another 154.77 points yesterday to 7,076.65. On Friday and Thursday alone the Dow Index lost 262.71 points. Yesterday's pace of decline was the third sharpest this year.

Trading remained thin. Volume in the first section totalled about 180m shares, down from about 260m shares on Friday.

Brokers said investors who had bought on credit were now dumping their shares because they may have to make additional payments, required by exchange regulations, when prices decline below certain levels.

The market was peppered by foreign investor selling, which in the thin trading, had a disproportionately strong impact.

Blue Chips headed the day's list of losers. Hitachi was off Y44 at Y595, Canon Y40 at Y980 and Fujitsu Y10 at Y5,600.

Shipbuilding shares also slipped back. Steels suffered setbacks. Precision Instruments, Textiles, Non-Ferrous Metals, Machineries and Foodstuffs were all softer.

Australia

In low volume shares took another tumble yesterday. The Sydney All Ordinaries Index was off 6.6 and is now perilously close to a year low.

Gloomy news from London and New York over the weekend whittled away at confidence.

BHP started the roll back. Dealers made an initial adjustment for the 19 cent dividend but the stock finished the day at its lowest level for two years at A$4.2.

Bougainville, MIM, Energy Resources and Woodside hit new lows.

The only bright spots were generated by some of the cheaper oils such as Meridian which rose 7 cents to 45 cents on rumours that its Great Sandy number one well being drilled in the Canning Basin was a winner. The rumours cheered some of the Canning Basin stocks such as Vamgas and Petroleum Securities.

Hong Kong

Stocks recovered from their early losses in active late trading.

The Hang Seng index closed 18.6 down at 1,230.87, following Friday's 16.25 loss.

Share prices opened easier depressed by the sharply increased U.S. money supply figures, then recovered on sporadic local speculative buying in the afternoon.

Brokers considered that the market will move in line with overseas markets over the next few days, in the absence of bullish local factors.

Leaders and secondaries both generally suffered light losses. Cheung Kong lost 60 cents to HK$18.80, and Jardine Matheson 20c to HK$13.70.

Hongkong Bank lost 20c to HK$13.60 and Hongkong Wharf 10c to HK$5.40.

Singapore

The stock market closed lower on lack of buying support in light trading.

Among leading Industrials and Finances, Ganda Holdings, Cold Storage, Genting, Isetan, Haw Par, Neptune Orient Lines, Pan Electric, Sime Darby, Straits Trading, Promet, Hong Leong Industries, MUIB, DBS, OCBC and UOB lost between 2c and 20c.

The Straits Times Industrial Index was off 7.00 to 6[illegible].75.

Johannesburg

Gold shares drifted lower throughout the day in very quiet trading to close easier following the drop in the gold price.

Losses stretched to 75 cents for producer Driefontein at R34.25, while Doornfontein and Harties were both down 50 at R27.00 and R77.00 respectively.

Mining Financials were mixed to firm, with Anglos up 15 at R18.35, while in Diamonds De Beers fell 20 to R8.63.

Industrials closed mixed with a firmer bias, and among leaders Barlows rose 30 to R10.95.

Germany

Most leading shares closed lower after a quiet and featureless session which saw the Commerzbank index fall 5 to 681.10.

Daimler closed unchanged at DM 330 after saying it expects satisfactory group profits for 1981. BMW fell DM 1.50 to DM 175 and VW rose DM 1 to DM 127.

The weaker domestic bond market depressed the banking sector, with Deutsche down DM 4.30 at DM 268.70, Dresdner DM 3.10 at DM 130.90 and Commerzbank DM 1.30 at DM 125.70. In otherwise lower Electricals AEG rose DM 1.90 to DM 48.50.

The domestic bond market remained quiet, with public authority bonds losing up to 0.70 and isolated gains of 0.25 reported, bond market dealers said. The market is now awaiting terms of a new federal railways loan, due to be set on Thursday.

The Bundesbank bought DM 26.7m of paper after buying DM 15m on Friday.

Mark Eurobonds were up to half a point weaker.

NEW YORK

CANADA

Indices

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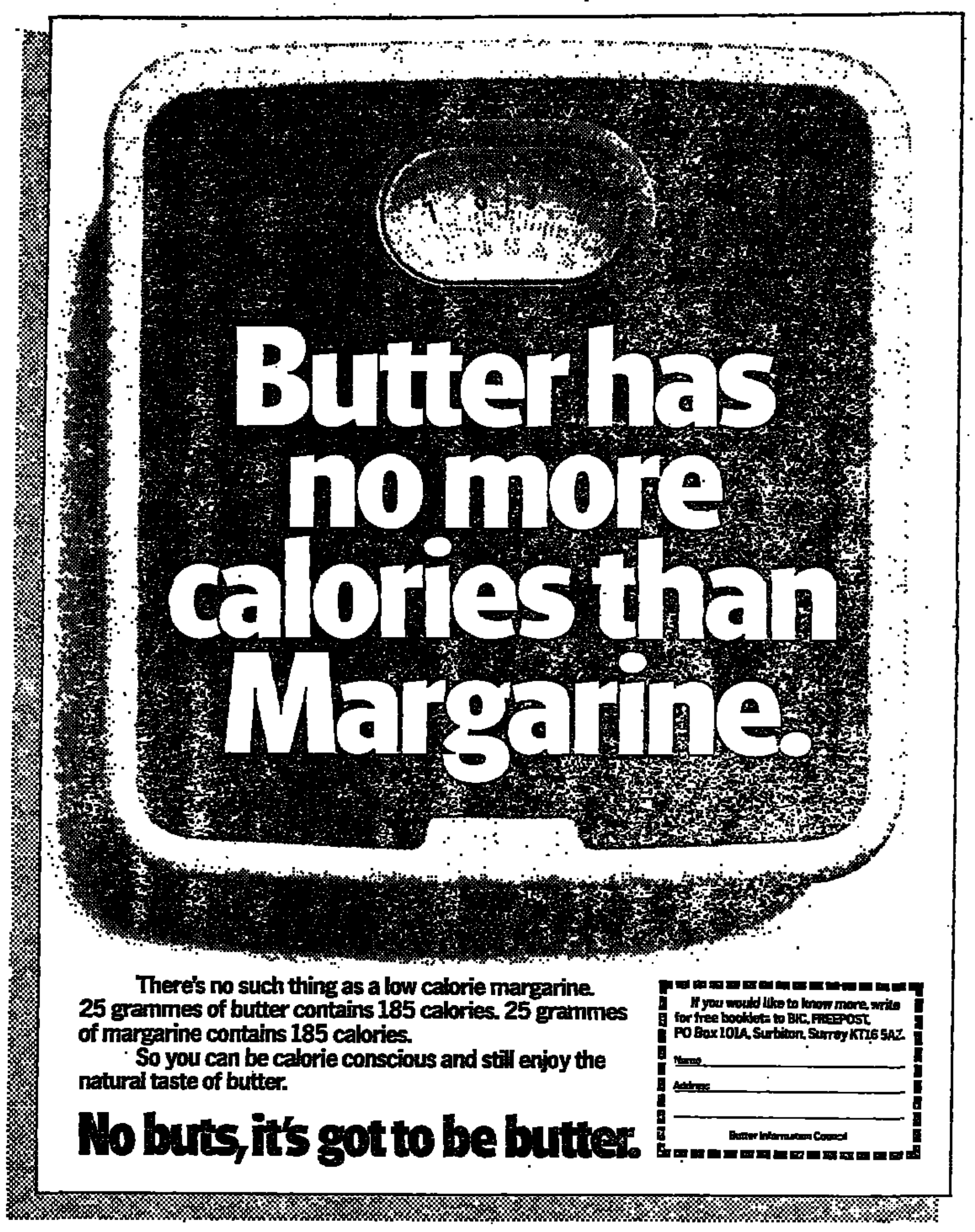

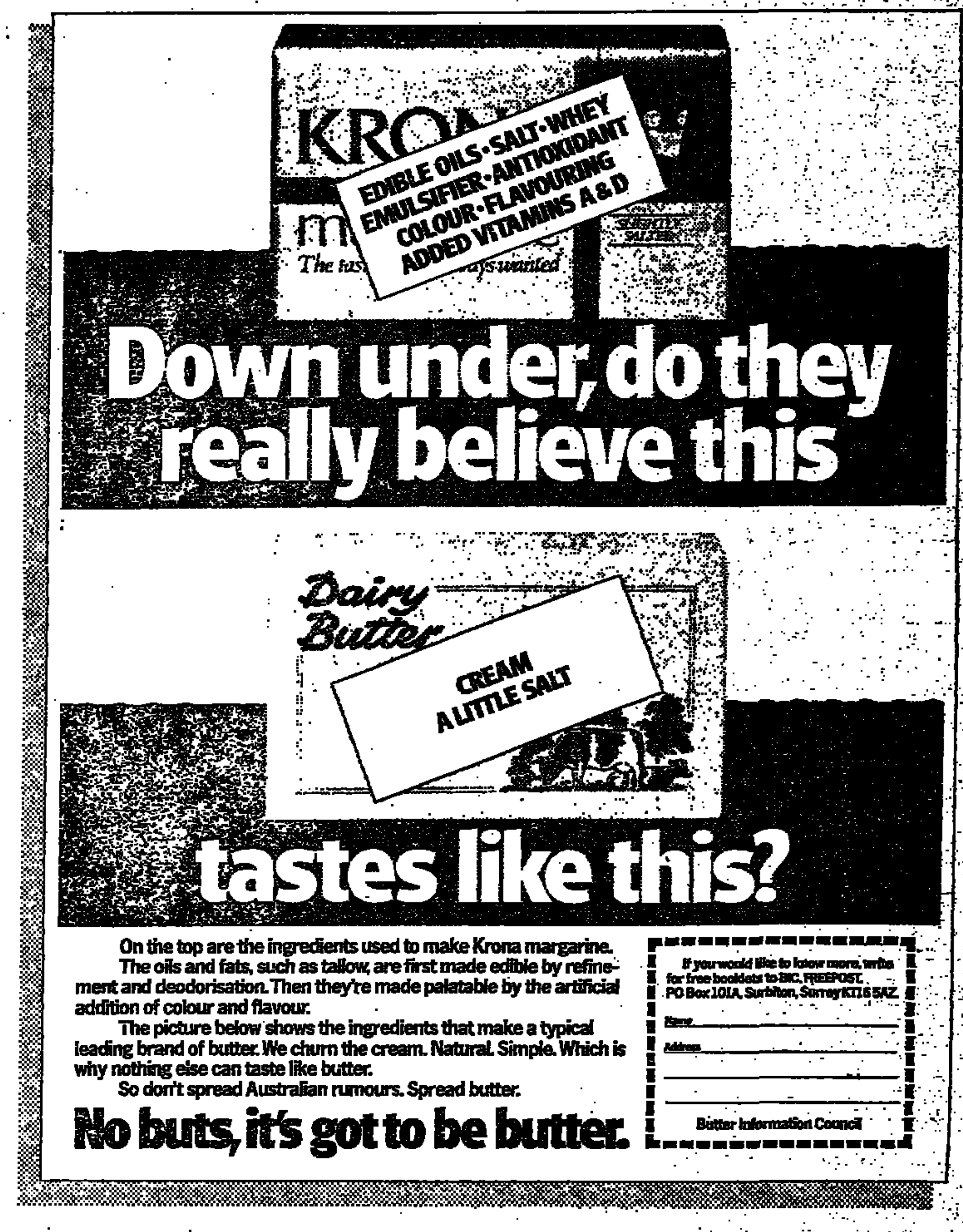

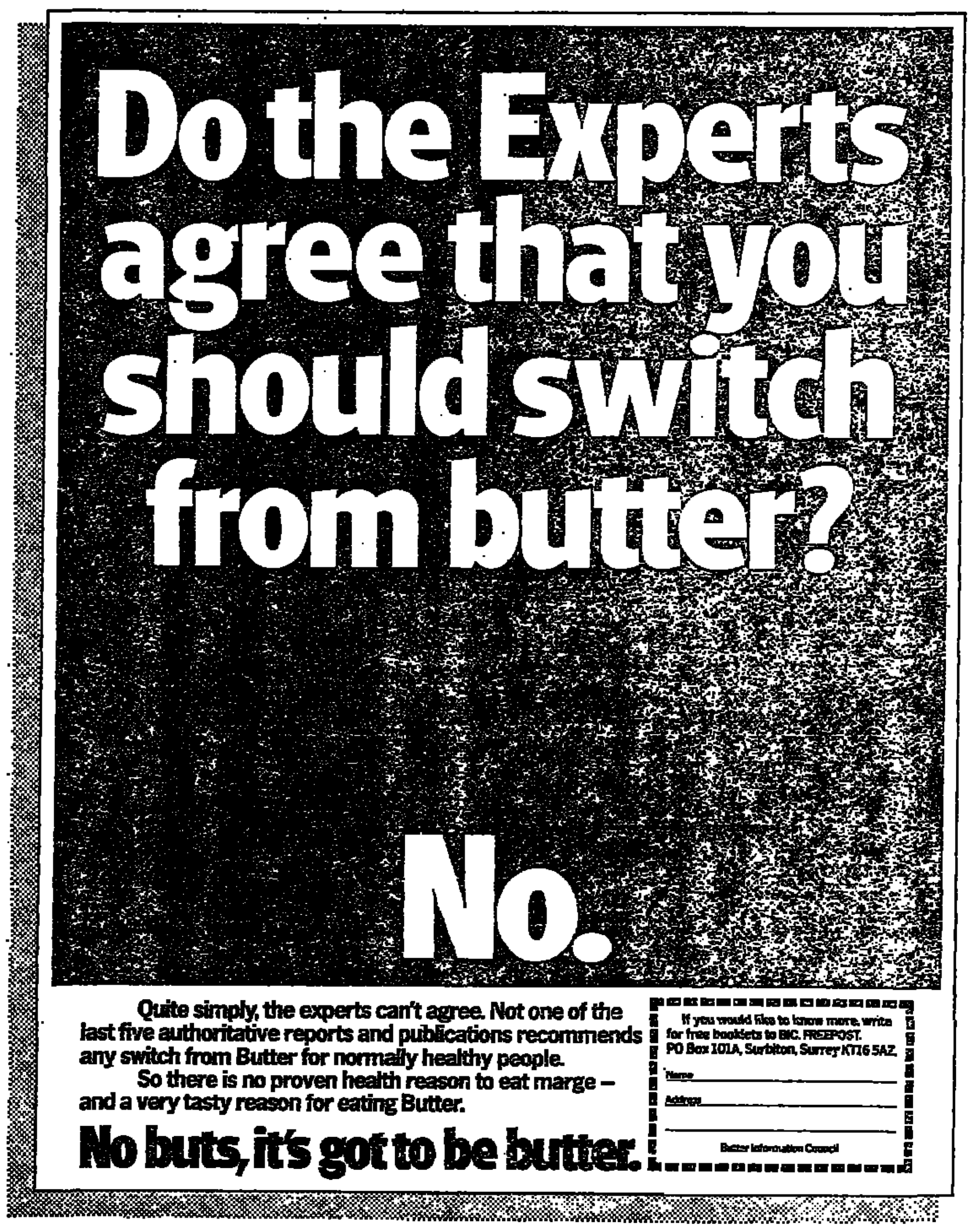

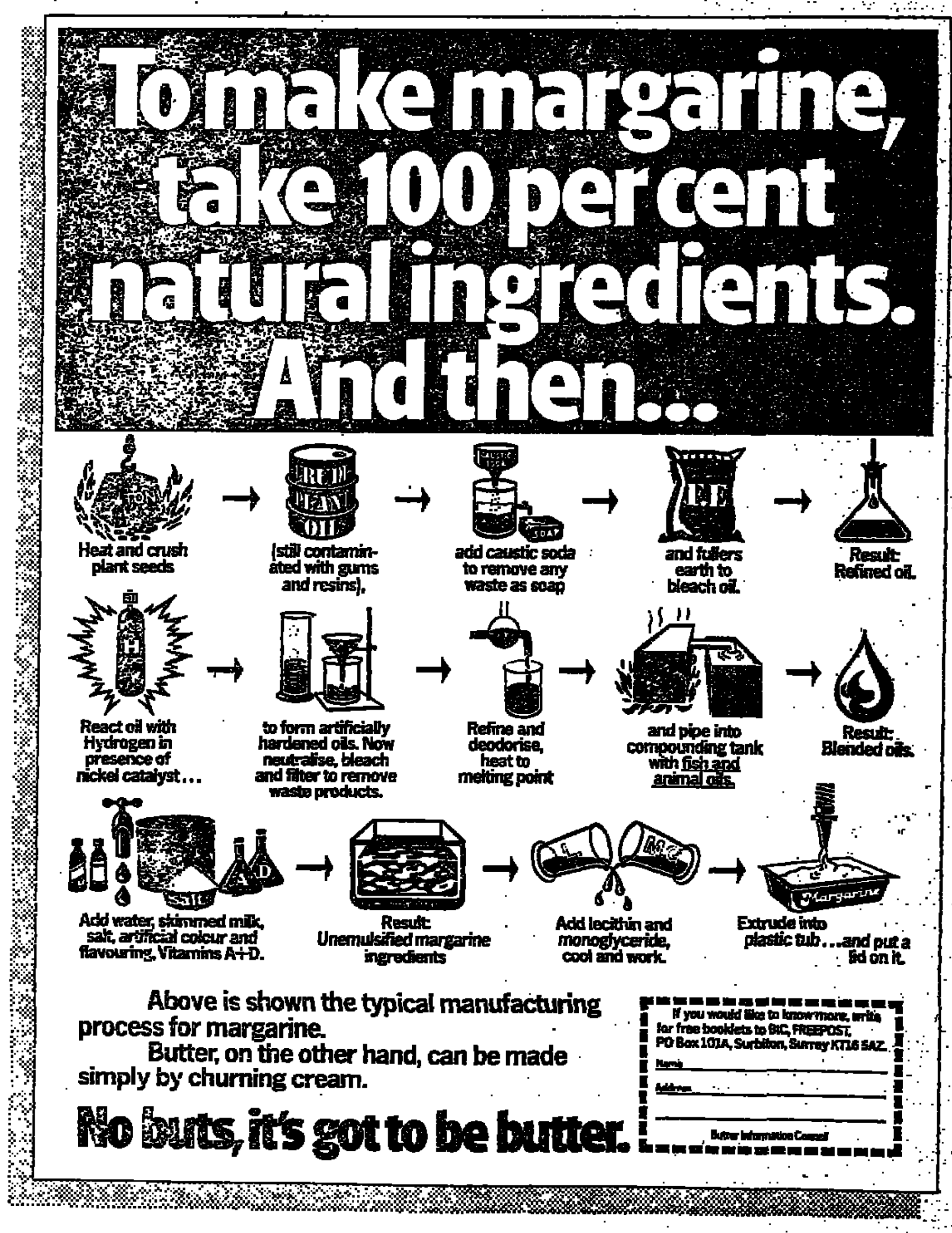

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Rubber shortage warning

By Our Commodities Staff

PROSPECTS for natural rubber are such that unless the industry is encouraged to expand, a severe shortage is "very much on the cards," Datuk Paul Leong, Malaysia's primary industries minister, warned yesterday.

Opening a planters' meeting in Kuala Lumpur, he said all producers and consumers should try to agree a minimum price level under the International Rubber Agreement which would assure viability for the industry. He added that he was confident this would happen.

Mr Leong said Malaysia would propose an upward revision of the international buffer stock price range at the November meeting of the International Natural Rubber Council.

U.S. trading ban on Swiss bank

WASHINGTON — The Commodity Futures Trading Commission (CFTC) said Banque Populaire Suisse of Berne is barred from trading in any capacity on U.S. commodity markets for 90 days.

The ban is because it declined to provide the CFTC with information concerning silver futures positions held by its customers on U.S. commodity exchanges, the CFTC said.

CFTC administrative law judge Arthur Shipe found the agency has jurisdiction over the bank's trading and the right to ask for the information.

In Zurich, an official of the bank said no comment could be made until the U.S. court decision had been analysed. He noted, however, that the bank had not in fact traded on the U.S. commodity markets for some time.

New Indian tea tax concession

NEW DELHI — The Indian government will give tea exporters an excise tax rebate of 44 paise per kilo on unblended tea not directly exported from tea gardens, the Press Trust of India (PTI) news agency said.

Last month, the government introduced an identical tax relief on blended tea exports and full rebate of the excise duty paid on unblended tea directly exported from the gardens.

Disharmony on EEC agricultural policy

BY JOHN WYLES IN BRUSSELS

EEC FARM ministers were sharply divided on the main elements of Common Agricultural policy reform here yesterday, during an "orientation" debate which highlighted the immense obstacles to any significant agreement by the end of the year.

This remains the Community's declared objective, but yesterday's discussion offered little encouragement for hopes that the heads of government summit in London next month will be able to agree detailed guidelines for change to be implemented later by agricultural ministers.

However, opinions were so diverse yesterday that West Germany's Herr Josef Ertl apparently spoke for most of his colleagues when, during a speech which they otherwise found difficult to follow, he argued that the ministers themselves would never reach agreement unaided.

During the debate, France and Ireland resumed their traditional roles as defenders of the present policy or, rather, opponents of any changes which might threaten the maintenance of farm incomes and their own national agricultural interests.

Mme Edith Cresson, the French farm minister, called for tariff reform so as to cut back on imports into the EEC of cereal substitutes and vegetable oils. This would allow EEC farmers scope for further development and would help accommodate Spain and Portugal as members of the Community she said.

She won little support for this approach, and the UK, Denmark and the Netherlands also opposed the French government's recently developed proposals for a price and production system which would penalise large scale producers and favour the small farmers.

Speaking for the UK, Mr Alick Buchanan Smith stressed the need to hold the growth of farm spending down below the annual increase in EEC budget revenues. He challenged most of Mme Cresson's ideas and called for a much closer alignment of EEC prices with world prices and a system of levies, varying according to the commodity, to discourage over-production.

The British approach remains close to that recommended by the European Commission in June and the Commission will be into closed session for three days this week to refine its proposals.

These will then be discussed by a special ad hoc group of EEC ambassadors who will report to EEC foreign ministers who will, in turn, make recommendations on the CAP to next month's summit.

Move to boost cocoa funds

BY OUR COMMODITIES STAFF

MOVES TO boost the finances of the International Cocoa Organisation's buffer stock buying fund will be considered at a meeting of the organisation's executive committee in London today.

The main business of the meeting will be to decide whether to authorise the buffer stock manager to borrow funds to finance his operations should this become necessary.

The buffer stock came into operation at the beginning of this month with a fund of $230m carried forward from the old agreement. But within eight trading days, during which about 61,000 tonnes of cocoa was purchased, two-thirds of this money had been spent. And as there was no positive effect on prices buying operations were halted.

The failure of support buying to lift the market was partly due to the fact that everyone knew available funds were sufficient to buy only about 90,000 tonnes out of an estimated world surplus of over 500,000 tonnes. Under the terms of the agreement the buffer stock manager is permitted to buy up to 250,000 tonnes if funds are adequate.

A further hindrance to the effectiveness of the support buying has been the "open" buying strategy insisted upon by consumer members of the pact. This means that the buffer stock manager has to announce his buying price in advance and reveal the scale of his purchases at the end of each day's trading.

The possibility of altering the agreement's rules to allow a more discreet buying strategy to be adopted may be considered at today's meeting.

ICCO delegates would not speculate yesterday on whether the buffer stock manager was likely to be allowed borrowing powers sufficient to bring the stock up to its 250,000 tonnes maximum. But some borrowings are almost certain to be allowed in view of the total failure of support buying so far.

The agreement is supposed to defend a floor price of 110 cents a lb but since buying started, the ICCO indicator price has fallen by more than 3 cents to 101.79 cents a lb.

Today's meeting has been triggered by a clause in the agreement that says a special session of the full cocoa council must be held if the price remains below the floor 20 days after support purchases begin.

● Ghana Cocoa Marketing Board (CMB) workers at the cocoa production division have decided to suspend their strike and resume work, Reuter reports.

Colombia coffee exports

BOGOTA—Colombian coffee exports totalled 9,028,000 bags (of 60 kilos each) for the crop year from October 1, 1980 to September 30, 1981, 22 per cent less than the previous year, the National Federation of Coffee Growers said.

Revenue for coffee exports for the 1980/81 crop year totalled $1.565bn against $2.095bn the previous year, it said.

Colombia produced 13.3m bags of green coffee valued at 75bn pesos in 1980-81 compared with 12.5m valued at 66bn pesos the previous year.

The federation said because of greater production and lower exports in 1980-81, stocks have increased by 2.7m bags to 6.3m.

Main buyers of Colombia's 1980-81 crop were West Germany at 35 per cent, U.S. with 23 per cent, the Netherlands 9 per cent, Sweden 5 per cent. Japan 5 per cent, Finland 3 per cent, Spain 3 per cent and Argentina 2 per cent.

Reuter

Stocks rise hits tin market

By Our Commodities Staff

NEWS THAT tin stocks held in London Metal Exchange warehouses rose to a record level last week encouraged heavy selling of cash metal yesterday and the price ended £92.50 down at £8,122.50 a tonne. This was in contrast to the performance of the three months tin price which gained £2 to £8,355 a tonne.

Most of the selling was reported to come from a single dealer and there were also rumours of buffer stock selling of cash tin. Traders thought the three months price was held up by producer support buying.

The 6.85 per cent rise in the International Tin Agreement price range agreed in Kuala Lumpur at the weekend had no impact in LME prices, dealers said.

Warehouses stocks of tin rose 1,765 tonnes last week to 15,390 tonnes. Lead stocks also rose, by 650 to 48,600 tonnes, but copper and zinc stocks were down 1,700 tonnes to 107,225 and 2,600 tonnes to 80,850 respectively.

Silver stocks rose 150,000 oz to 29.83m while aluminium rose 2,900 tonnes to 104,375 and nickel fell 90 tonnes to 2,664.

Copper, lead and zinc opened lower in line with the pre-weekend tone in New York but good physical demand from consumers steadied prices later in the day. Cash copper wirebars ended £3 down at £896.50 a tonne, cash lead up £4 at £369.50 a tonne and cash zinc £4 up at £471.50 a tonne.

IDA supports computer plan for Ireland

IRELAND is to be the site for a Ir£15m project to manufacture and market a new mainframe computer to take on the giants of the industry, Brenden Keenan writes from Dublin. Dr Gene Amdahl, a former IBM executive, said his Trilogy Company is to attempt building a more efficient computer system, which will also take IBM software.

Private Irish investors are to put up $3m to launch the project and the state's Industrial Development Authority will take a $1m equity state. An additional $14m will come from normal IDA grants and bank financing.

HAWAIAN PRAWNS

Expanding pond potential

BY A CORRESPONDENT

FRESHWATER prawn production for export from Hawaii seems set for further expansion. Between 1970 and 1980 the area of ponds increased from 0.6 hectares to 126 hectares. A few prawn farms, including one big operation, came and went, but now there are clear indications from prospective investors which point to further expansion of the industry.

This information is given in the introduction to a new publication from the office of the Aquaculture Development Programme of the Department of Land and Natural Resources in Hawaii, which gives the main findings of an economic study conducted in 1980. It estimates that total prawn production from the 20 farms operating last year was 136,116 kilos.

This figure is likely to rise substantially, according to the report, due to both an expansion in area and improvement in productivity. Some existing farms are getting bigger and one large Hawaiian company with plans to develop up to 162 hectares was beginning construction at the time of the survey. Most operators combine prawn farming with agricultural activities.

In addition to the finished product, Hawaii has also become an important source of prawn postlarvae for subsequent culture. These come mainly from the Anuenue Fisheries Research Centre, but also from private producers. The year-round production capacity of the state hatchery is between 25m and 30m postlarvae.

Many other countries, particularly in South East Asia and Central America have obtained their broodstock and learnt their techniques from the Anuenue Centre. The report lists 30 other countries whose interest in prawns ranges from laboratory culture to commercial production, the latter being Thailand, Taiwan, Mauritius and Puerto Rico.

Thailand has over 455 farms, 375 hectares of pond area and an annual production of 350 tonnes. Taiwan, with many small farms and an output (in 1980) of only 65 tonnes annually is also said to be expanding.

Prawn farmers setting up in Hawaii have the advantage of a publicly subsidised hatchery. For the first three years of their operation they received free juveniles with which to stock their ponds and they can also call on the help of a free extension service. After the third year juveniles cost them $8 per 1,000.

Two commercial hatcheries in Hawaii produce only for their own use, but a third markets juveniles outside the state at prices between $25 and $50 to include packaging, handling and delivery.

The Hawaii Prawn Producers Association was founded in 1979 with the prime objective of fostering the continued development of the industry by guiding research and through the marketing and promotion efforts. It is believed that production can be expanded not only by increasing the number of pond but also by improving yields.

At present the annual yield per 0.4 hectare pond varies between seasons and between farms from under 227 kilos to over 907 kilos. It is believed that the latter figure could be obtainable as an annual average.

Even this is much less than the estimated potential yield based on extrapolation from experimental data and represents a survival rate of only about 25 per cent, or 16,000 market-sized prawns from the 65,000 postlarvae stocked.

The prawns are usually delivered to wholesale or retail outlets (22 to 26 prawns per kg with heads on) and restaurants (15 to 20 prawns per kg with heads on) in live, chilled, blanched or frozen form. Live prawns are kept in holding tanks. Ice-chilled prawns retain an acceptable quality for only two to three days. Blanched prawns, quick killed in an ice slurry and then dipped in 68.33 deg C water for about 15 seconds before being packed in ice, retain an acceptable quality for three to four days. Prawns that have been frozen soon after harvesting have a shelf life of up to six months.

Hawaiian freshwater prawn farming is concentrated in the northern part of Oahu (the island where Honolulu, with its substantial tourist trade, is located). The largest producers — probably the largest in the world — are Lowe Aquafarms, who also have associated cattle feed and seed operations.

In Hawaii they produce about 1,000 lb of prawns a day and plan to go up to 2,000 lb from their 7½-hectare site, but they are now also involved in the development of very large scale production in Ecuador and Malaysia, considered to be important growth areas with the best combination of advantages for prawn production.

Fall in U.S. orange juice prices

LAST WEEK'S U.S. Government estimates for the coming crop of Florida oranges showed that a lot more juice may be produced next year than analysts had expected. The result is that prices, which had been at about $1.30 a pound for several months, abruptly fell to about $1.15.

About 166m boxes of juice oranges are expected to be harvested in Florida in the crop year beginning December 1. That figure is down slightly from the 172.4m produced last year after a severe frost. But juice yield will be up to 1.42 gallons a 90-lb box from 1.21 gallons last year.

"With the supply situation easing so much and less dependence on Brazilian imports, you may see prices easing somewhat at the retail level," speculated Michael Paulenoff, a U.S. citrus analyst.

Futures prices may remain under pressure in the months ahead, analysts say. The Florida groves have recovered from the freeze in better condition than many growers expected. Brazil, which just harvested a healthy orange crop, is interested in matching this year's record export of orange juice to the U.S. But colder weather is expected to hit Florida in about a month, and "there's still plenty of development time left" for fruit currently on the trees, according to the U.S. agriculture department for citrus economics.

The rise in the yield estimate was partly based on a change in the measure of sugar and pulpy solids in juice called brix. For the second consecutive year, the level mandated in Florida will be lowered, enabling more juice concentrate to be produced from the oranges.

Florida growers are unhappy with that prospect, and some are challenging the decrease in brix in an attempt to have it maintained at the level used in the marketing year currently ending.

Reuter

BRITISH COMMODITY MARKETS

BASE METALS

BASE METAL PRICES were mixed on the London Metal Exchange. Copper fell to £920 in early trading, reflecting the weak performance on Comex on Friday, but rallied well on consumer demand to close at £925.5. Lead and Zinc also attracted good physical interest, closing at £383 and £487.75 respectively. Aluminium was finally £644.75 and Nickel £3,030, the latter owing to persistent Commission House short covering. Tin was heavily supported at £8,350, three months.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	897.5-8.5	-4.75	896-7	-3
3 mths	925-6	-5.25	925.5-6	-.75
Settlem't	898.5	-4.5	—	......
Cathodes				
Cash	895-6	-6.5	895-6	-.5
3 months	921-.5	-2.5	922-.5	-.25
Settlem't	896	-7	—	......
U.S. Prod	—	—	*80.7-86	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £899, 98, higher grade three months £925, 26, 25.5, 26, 25.5, 26, 27, 25.5. Cathodes, three months £921, 21.5, 21. Kerb: Wirebars, three months £925, 5, 26, 24.5. Afternoon: Wirebars, three months £925, 26, 25.5. Kerb: Wirebars, three months £925.5, 25, 25.5. Turnover 20,150 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8150-1	-74.5	8210-5	-92.5
3 months	8351-5	-4.5	8350-60	+2
Settlem't	8151	-68	—	......
Standard				
Cash	8150-1	-74.5	8120-5	-92.5
3 months	8351-5	-4.5	8350-60	+2
Settlem't	8151	-68	—	......
Straits E.	$835.50	+8.00		
New York	—			

TIN—Morning: Standard, cash £819, 5, 51, three months £835, 55, 51, 5, 51. Kerb: Standard, three months £835. Afternoon: Standard, cash £8,150, 20, three months £8,351, 50. Kerb: Standard, three months £8,351, 55, 51, 50. Turnover 2,790 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	373-4	+6.25	369-70	+4
3 months	383-.5	+7.5	379-.5	+4.5
Settlem't	374	+8.5	—	......
U.S. Spot	—	......	*38-42	......

LEAD—Morning: three months £381, 82, 81, 83, 84, 83.5, 83. Kerb: three months £382, 81, 8, 79. Afternoon: three months £378, 80, 79. Kerb: three months £379.5, 79, 80, 82, 83. Turnover 7,725 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	474-5	+2	471-2	+4
3 months	490-.5	+5	485.5-75	+3.87
S'ment	475	+2	—	
Primw'ts	—	—	*45.5-50	......

ZINC—Morning: Cash £375, three months £490, 91, 92, 93, 91, 9. Kerb: three months £486, 87. Afternoon: three months £486.5, 87, 86, 87, 86.75. Kerb: three months £488, 87.5, 88. Turnover 6,700 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	616-.5	-5.5	617-.5	-3.25
3 months	643-4	-4.75	644-.5	-3.5

ALUMINIUM—Morning: Cash £616, three months £644, 45, 44, 43.5. Kerb: three months £644, 43.5. Afternoon: three months £644. Kerb: three months £644. Turnover 5,925 tonnes.

NICKEL—Morning: three months £2,985, 9, 95, 9. Kerb: three months £299. Afternoon: three months £3,010, 30, 40, 45, 35. Kerb: three months £3,035, 40, 35, 30. Turnover 1,632 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2915-25	+10	2960-70	+45
3 months	2980-5	+5	3030-5	+47.5

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 8.8p an ounce lower for spot delivery in the London bullion market yesterday at 508.7p. U.S. equivalents of the fixing levels were: spot $9.363, down 13.8c; three-month $9.723, down 13c; six-month $10.104, down 13.1c; and 12-month $10.899, down 10.10c. The metal opened at 508-513p ($9.35-9.45) and closed at 495-501p ($9.15-9.25).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	508.70p	-8.80	497.0p	+21.9
3 months	528.10p	-8.20	515.75p	+20.2
6 months	547.50p	-8.25	—	....
12months	586.70p	-8.25	—	......

LME—Turnover 147 (98) lots of 10,000 ozs. Morning: Three months 527, 26.5, 27, 28, 28.5. Afternoon: three months 515, 14, 16, 18, 17, 16, 15.5. Kerb: three months 517, 18.

COCOA

In relatively light trading conditions futures made a little ground at the opening but failed to hold the higher levels. Physicals remained neglected with producers and consumers awaiting the outcome of current meetings of the ICO, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
Dec	1278-79	-15.0	1304-278
March	1272-73	-5.0	1290-67
May	1271-73	+1.5	1285-65
July	1270-72	+0.5	1280-65
Sept	1272-73	+2.0	1281-68
Dec	1278-79	+5.5	1279-78
March	1280-90	+9.5	—

Sales: 2,560 (5,551) lots of 10 tonnes.

ICCO—Daily price for October 19: 102.81 (102.74); indicator prices for October 20: 101.79 (101.42).

COFFEE

A quiet opening saw values lower in line with an easier 'C' close and steadier sterling, reports Drexel Burnham Lambert. Dealer interest encouraged a recovery but failure to follow through resulted in further losses

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Nov	1091-93	-9.0	1197-84
Jan	1100-01	-8.5	1107-93
March	1101-02	-11.5	1110-94
May	1194-95	-17.5	1105-89
July	1195-97	-14.5	1102-93
Sept	1185-94	-22.0	1105.00
Nov	1079-97	-22.0	—

Sales: 2,380 (5,759) lots of 5 tonnes.

ICO 1979 Indicator prices for Oct 16: (U.S. cents per pound): Comp daily 117.86 (118.12); 15-day average 116.20 (116.03).

GAS OIL FUTURES

The market traded quietly in a narrow range as traders took stock of the recent rise in prices, reports Premier Man.

Month	Yesterdys close	+ or —	Business Done
	$ U.S. per tonne		
October	313.00	+0.25	313.00-13.00
November	317.00	-1.75	318.00-17.00
December	318.75	-1.50	320.75-18.75
January	331.50	-1.75	322.50-21.50
February	323.67	-0.75	324.00-23.75
March	324.57	-0.75	325.25-24.50
April	325.75	-0.25	—
May	326.00	-0.75	328.00-26.50
June	327.00	+0.50	327.00-27.00

Turnover: 500 (2,672) lots of 100 tonnes.

GRAINS

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterday's close	+ or —
Nov	105.60	+0.40	100.10	+0.10
Jan	109.25	+0.15	104.05	+0.15
Mar	112.90	+0.15	107.65	+0.10
May	116.85	+0.05	111.30	+0.05
July	120.35	+0.20	—	—
Sep	106.40	—	100.65	—

Business done—Wheat: Nov. 105.70-105.20, Jan 109.35-109.15, March 113.00-112.85, May 116.95-116.85, July 120.35-120.25, Sept no trades. Sales: 144 lots of 100 tonnes. Barley: Nov 100.15-100.00, Jan 104.05-103.85, March 107.65-107.55, May 111.30-111.15, Sept no trades. Sales: 124 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2, 14 per cent: Oct 113.65, Nov 115.50, Dec 116.50 transhipment East Coast sellers. U.S. Hard Winter, 13½ per cent: Oct 121.25 transhipment East Coast sellers. English Feed, fob: Oct 109.25 East Coast, Nov 110.50 Bristol Shannel sellers. Maize: French Nov 127.50 transhipment East Coast sellers. South African White: Nov 86.25 sellers. South African Yellow: Nov 86.25 sellers. Barley: English Feed, fob Oct 104 Bristol Channel, Nov 106 East Coast sellers. Rest unquoted.

HGCA — Locational ex-farm spot prices. Other milling wheat: Eastern 107.80. Feed barley: Eastern 100.00, N. East 100.00, Scotland 97.10. The UK Monetary Coefficient for the week beginning Monday October 26 (based on HGCA calculations using 4 days exchange rates) is expected to remain unchanged.

RUBBER

The London physical market opened easier and attracted little interest throughout the day to close quiet. Lewis and Peat reported a fob price for No. 1 RSS in Kuala Lumpur of 225.0 (230.0) cents a kg and SMR 20 178.5 (181.0).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
Nov	54.60-54.70	55.50-57.00	—
Dec	56.50-56.00	56.60-57.50	—
Jan-Mar	57.60-57.70	58.90-58.00	58.00-57.30
Apl-Jne	61.60-61.80	62.60-62.80	61.80-61.30
Jly-Sept	64.50-65.00	66.00-66.30	65.00
Oct-Dec	68.50-68.60	69.60-69.70	—
Jan-Mar	71.60-71.80	72.80-72.88	—
Apl-Jne	75.00-75.10	75.80-76.10	—
Jly-Sept	78.20-78.40	79.20-79.50	78.50

Sales: 234 (231) lots of 15 tonnes, nil (nil) at 5 tonnes. Physical closing prices (buyer) were: Spot 54.00p (55.00p); Nov 52.00p (52.50p); Dec 53.00p (53.75p).

SOYABEAN MEAL

The market opened 50p lower on stronger sterling, reports T. G. Roddick, and remained in a narrow trading range.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
October	138.00-45.0	-1.00	—
December	153.20-55.5	-0.65	155.50-52.50
February	155.80-55.2	-0.40	156.00-55.50
April	158.00-59.8	-0.45	—
June	140.50-45.0	-0.25	—
August	141.50-45.0	-1.00	—
October	142.00-49.0	-0.50	—

Sales: 80 (63) lots of 100 tonnes.

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Dec 386, 391, nil; Jan 387, 390, 388; March 396, 398, 400-396; May 403, 404, 408-409; Aug 415, 418, 418-415; Oct 419, 420, 422-419; Dec 423, 425, 428-423; Jan 426, 427, 439-428; March 428, 432, 436-430. Sales: 217.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg.) Oct 476.0, 477.5, 478.0-475.0; Dec 492.0, 493.0, 495.0-491.5; March 503.0, 504.0, 505.0-503.0; May 5?4.5, 515.0, 515.5-514.5; July 523.0, 524.0, 523.0; Oct 520.0, 521.0, 521.0-520.0; Dec 524.0, 525.0, 524.0; March 530.0, 535.0, untraded. Sales: 254.

SUGAR

Scattered trade selling developed which absorbed some shortcovering initially apparent. Following a weak New York opening the market gave way, reports C. Czarnikow.

No.4 Contract	Yest'rdy's close	Previous close	Business done
	£ per tonne		
Jan	168.25-58.50	161.50-61.75	162.00-58.50
March	165.60-65.70	169.10-69.30	169.50-65.00
May	169.25-69.45	173.00-73.20	173.50-69.00
Aug	173.50-73.45	176.75-77.05	176.50-73.75
Oct	177.75-77.85	181.00-81.25	181.25-78.00
Jan	178.00-81.00	182.50-85.00	—
March	182.00-83.00	185.75-86.00	—

Sales: 2,538 (4,412) lots of 50 tonnes.

LONDON DAILY PRICE—Raw sugar £160.00 (same) a tonne cif Oct-Nov-Dec shipments. White sugar daily price £176.00 (same).

Tate and Lyle delivery price for granulated basis white sugar, was £375.0 (same) a tonne fob for home trade and £269.5 (same) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for October 16: Daily price 12.05 (12.26): 15-day average 12.49 (12.50).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 62 tonnes. Small purchases were made, without more than occasional support. Interest was chiefly in African and Middle Eastern styles. Although North American supplies were not neglected.

JUTE

JUTE—Nov c and f Dundee: BWC £282, BWD £230, BTB £330, BTC £287, BTD £232. Antwerp c and f. BWC $524, BWD $434, BTB $610, BTC $535, BTD $438. Dundee, Oct: 40 in. 10 oz. £10.59, 40 in. 7.5 oz. £8.15. "B" Twills £30.75

POTATOES

LONDON POTATO FUTURES—In a very quiet market, prices rose steadily throughout the day finding further strength at the close, reports Coley and Harper. Closing prices: Nov 79.00, +2.00 (high 79.00, low 78.00). Feb 92.30, +2.80 (high 92.00, low 89.00): April 104.90, +2.60 (high 105.00, low 102.50). Turnover: 107 (298) lots of 40 tonnes.

TEA AUCTION

LONDON TEA AUCTIONS—34,530 packages were on offer at yesterday's auction. There was an improved demand but Assams again came to a selective market at prices often 2-4p lower with some withdrawals. Bright Africans were well supported at firm rates, while medium quality Kenyas proved a strong feature and realised improved prices particularly for dusts. B Central African teas sold readily but plain sorts tended easier. The Limited quantity of Ceylons and South Indians met good competition at generally dearer rates. Quotations: quality 120p per kilo (122p), medium 109p per kilo (107p), plain 85p per kilo (87p).

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 75.0 to 78.9: Ulster hindquarters 86.7 to 88.5, forequarters 58.7 to 60.2; Eire hindquarters 85.0 to 88.0, forequarters 57.0 to 60.0. Veal: Dutch hinds and ends 125.0 to 126.0. Lamb: English small 73.5 to 79.0, medium 74.0 to 77.0, heavy 74.0 to 77.0; Imported Frozen—New Zealand PL 65.0 to 65.5, PM 65.0 to 65.5. YLs 63.0 only. Pork: English, under 100 lbs 49.0 to 55.0, 100-120 lbs 47.0 to 54.0, 120-160 lbs 45.0 to 52.0.

MEAT COMMISSION: Average Fatstock prices at representative markets. GB—Cattle 88.77p per kg lw (+1.12). UK—Sheep 163.78p per kg est dcw (+3.58). GB—Pigs 80.98p per kg lw (+3.53).

PRICE CHANGES

In tonnes unless otherwise stated.

	Oct. 19 1981	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1130/1160	......	$1175/205
Copper			
Cash w'bar	£896.5	-3	£950.25
3 mths	£925.75	-0.75	£986.25
Cash Cathode	£897	-0.5	£950
3 mths	£922.25	-0.25	£979.5
Gold troy oz.	$436	-9	$466
Lead Cash	£369.5	-4	£417.75
3 mths	£379.25	-4.5	£430.5
Nickel	£4219.6	......	£4,106.25
Free mkt	240/280c	......	265/280c
Platin'mt'r'y oz	£260	......	£260
Freemkt	£227.30	-3.2	£244.45
Quicksilver†	$427/432	......	$428/455
Silver troy oz.	508.70p	-8.8	557.25p
3 mths	528.10p	-8.2	577.25p
Tin Cash	£8,122.5	-92.5	£8455
3 mths	£8355	-2	£8447.5
Tungsten22.0lb	$142.62	+0.81	$145.86
Wolfrm 22.04lbs	$136.141	......	$144/148
Zinc Cash	£471.5	-4	£506.5
3 mths	£486.625	-3.875	£524.75
Producers	$1000	......	$1000
Oils			
Coconut (Phil)	$582.5y	+2.5	$522.5
Groundnut	‡	......	$960
Linseed Crude	£425	......	£432
Palm Malayan	$515.5y	......	$507.5
Seeds			
Copra Philip	$360x	-5	$355
Soyabean(U.S.)	$268.5	-2	$268
Grains			
Barley Fut.Jan	£104.05	+0.15	£101.50
Maize	£127.50y	......	£127.50
Wheat Fut.Jan	£109.25	-0.15	£107.35
No2 HardWint	£121.25	-0.25	‡
Other commodities			
Cocoa ship't*	£1,369	-15	£1,409
Future Mar.	£1272.5	-5	£1,298.5
Coffee Ft' Jan.	£1100.5	-8.5	£1,019.5
Cotton A.Index	75.45c	......	76.25c
Gas Oil Nov.	$317	-1.75	$303
Rubber (kilo)	54p	-1	54p
Sugar (Raw)	£160x	......	£158
Wool't ps 64s kl.	390p kilo	-1	396pkilo

‡ Unquoted. z Dec. y Nov. x Oct-Nov. v Nov-Dec. † Per 76-lb flask. * Ghana cocoa. n Nominal.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Oranges—Outspan: Valencian Lates 48 5.70, 56 6.50, 72 6.45, 88 5.60, 112 5.35, 138 5.30, 150 4.95; Argentinian: 64/72/88/100 6.00 6.40; Satsumas—Spania. 5.50 6.50. Lemons—Spania: boxes 6.00 8.00, trays 25/50 3.00 3.50; Cyprior 6.40 8.00; Turkish: 6.40 8.00; Outspan: 100/150 9.00 10.50. Grapefruit—U.S.: Pink 40/48 9.00: Cuban: 36/40/48 4.40 4.60, pink 36/48 6.00 6.20; Honduran: 5.50 6.00; Dominican: 4.50 5.80. Apples—French: New crop, Golden Delicious 20 lb 3.00-3.30, 40 lb 5.80 6.50, Stark Crimson 40 lb 7.00 7.50, 20 lb 3.50 3.60, Granny Smith 8.00 9.00; Spanish: Golden Delicious 40 lb 5.60 6.00; U.S. Red Delicious 8.00 12.00. Pears—French: Comice per pound 0.20 0.24; Dutch: Commice 14 lb 3.30 3.60; Italian: Williams' per pound 0.16 0.23. Peaches—U.S.: 60's 12.00 13.00. Plums—U.S.: Per pound 0.45 0.60. Grapes—Spanish: Almeria 11 lb 1.80 2.20, Negra 2.50 2.60; Greek: Rozaki 2.50; Italian: Italia per pound 0.30 0.35, Black Regina 2.50 2.60. Strawberries—Italian: 8 oz 0.50-60p. U.S. 1.70-1.80. Raspberries—U.S.: 8 oz 1.60. Melons—Spanish: 10 kilos, yellow 3.50 4.20, green 3.00 4.50. Pineapples—Ivory Coast: Each 0.40-1.10. Bananas—Colombian: Per pound 0.19 0.20. Avocados—U.S.: 20's 5.00; Israeli: 4.50 5.20; Canary: 5.00. Pomegranates—Spanish: 24/60 3.00 3.20. Tomatoes—Dutch: 2.60-2.80; Spanish: 1.60-2.20. Onions—Spanish: Grano 3/5 3.50 3.60. Capsicums—Dutch: 5 kilos, red 5.50, green 3.80, yellow 8.00; Spanish: Red 3.60, green 3.00. Aubergines—Dutch: 5 lb 6.50. Cabbages—Dutch: White 2.80, red 3.00. Chillies—Dutch: 3 kilos 3.80. Artichokes—French: Globe 24's 7.20. Chicory—Belgian: 3 kilos 3.00 3.20. Cucumbers—Dutch: 3.80 3.90; Canary: 2.80 3.00. Carrots—Dutch: 20 lb 2.00. Endive—French: 5.50. Fennel—Dutch: 3.00. Chestnuts—Italian: 5 kilo 3.30-4.80. Asparagus — South African: 1.80-2.00, NZ: 2.00. Jersey Cauliflowers—24's 5.00 16's 5.00.

English Produce: Potatoes—Per 55 lb, white 2.40 2.70, red 2.60 3.00, King Edwards 2.80 3.30, jacket 3.20 3.50. Mushrooms—Per pound, open 0.40 0.50, closed 0.60 0.80. Apples—Per pound Bramley 0.12 0.20, Cox's 0.18 0.28, Worcester Pearmain 0.12 0.20, Russet 0.15 0.20, Charles Ross 0.15 0.18. Pears—Per pound Conference 0.10 0.15, Comice 0.15 0.20. Strawberries—Per ½ lb 30-50. Tomatoes—Per 12 lb D/E 1.00-1.50. Cauliflowers—Per 12, 3.20-3.80. Cabbages—Per bag, Primo 30 lb 1.00 1.40. Lettuce—Per 12, round 0.80 1.00, Cos 10/12 1.20 1.40, Webb's 1.40 1.60. Radishes—Per pack 12 by 8 oz 1.40, bunches of 15, 1.50. Onions—Per tray by 20 bunches, spring 2.00 55 lb 40-60 mm 2.40 2.80. Carrots—Per 26/28 lb 0.70 1.00. Beetroots—Per 28 lb 1.00 1.20. Marrows—Per bs 2.00. Fennel—Per 10 lb 3.00. Parsnips—Per 28 lb 1.50 1.80. Swedes—Per net 0.80 1.00. Leeks—Per 10 lb 1.40 1.80. Sprouts—Per 20 lb 2.60 3.03. Pumpkins—Per lb 0.80 0.10. Turnips—Per 28 lb 1.50 1.80. Celery—Per 16/36 Hessy 2.50 3.30.

★

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shell cod £7.00-£9.80, codling £3.50-£5.00. Large haddock £4.00-£5.00, medium £3.40-£4.40, small £2.20-£3.50. Large plaice £6.80-£7.30, medium £6.00-£6.30, best small £4.20-£6.00. Skinned dogfish, large, £8.50-£10.00; medium, £7.50-£8.50. Lemon soles, large, £13.50; medium, £?.?0. Rockfish £3.40-£3.90. Reds £?.?0-£3.40. Saithe £2.20-£3.00.

AMERICAN MARKETS

NEW YORK, October 19.

PRECIOUS METALS were under pressure from commission house liquidation. Copper firmer on trade buying. Sugar and cotton remained under pressure from potential surpluses. The grain and soyabean complex was mixed with maize showing light gains on commercial support. Heating oil attracted light buying interest on the emergency OPEC meeting expected to convene later this month, reported Heinold.

Copper—Oct 74.30 (73.40), Nov 74.65 (73.75), Dec 75.65-75.75, Jan 76.80, March 78.75-78.90, May 80.60, July 82.75, Sept 84.65, Dec 87.20, Jan 88.05, March 89.85, May 91.65, July 93.45.

*Gold—Oct 436.2 (440.2), Nov 439.3 (443.5), Dec 442.2-443.0, Feb 453.0-454.0, April 464.0, June 475.0-475.8, Aug 487.1, Oct 498.5, Dec 510.0, Feb 521.6, April 533.3, June 545.1, Aug 557.1.

*Platinum—Oct 412.0 (417.0), Jan 422.5-424.4 (426.8), April 439.1, July 455.3, Oct 470.9. Sales: 1,245.

Potatoes (round whites)—Nov 68.0-70.0 (67.6), Feb 76.0-76.8 (77.0), March 79.5, April 89.2-89.5. Sales: 1,147.

§Silver—Oct 915.0 (941.0), Nov 918.5 (945.0), Dec 928.0-934.0, Jan 943.0, March 967.0-970.0, May 995.0, July 1016.5, Sept 1040.5, Dec 1076.5, Jan 1088.5, March 1112.5, May 1136.5, July 1160.5. Handy and Harman bullion spot: 921.00 (854.00). Sales: 8,000.

Sugar — No. 11: Jan 11.40-11.50 (11.68), March 12.02-12.09 (12.41), May 12.37-12.40, July 12.64-12.65, Sept 12.85, Oct 13.05-13.08, Jan 13.15, March 13.65-13.70. Sales: 7,040.

Tin—696.00-700.00 (668.00-700.00).

CHICAGO, Oct 19.

Lard—Chicago loose 21.00 (same).

Live Cattle—Oct 63.90-63.75 (64.40), Dec 66.30-66.20 (66.40), Feb 65.90-65.75, April 65.85-65.75, June 66.65-66.50, Aug 65.70, Oct 64.20.

Live Hogs—Oct 46.45-46.50 (46.12), Dec 49.15-49.25 (48.57), Feb 49.80-49.90, April 47.20-47.10, June 49.40, July 49.80, Aug 48.50, Oct 47.35, Dec 48.95.

‡‡Maize—Dec 291-291½ (290¼), March 309½-310 (309), May 321¾-322½, July 330-330½, Sept 334¾, Dec 339¼.

Pork Bellies—Feb 66.75-66.90 (65.05), March 66.70-66.80 (64.92), May 67.55, July 68.35, Aug 67.50-67.75.

†Soyabeans—Nov 656½-656 (656), Jan 676½-676 (678¼), March 687½, May 718, July 736, Aug 741, Sept 742, Nov 748, Jan 764½.

‖Soyabean Meal—Oct 183.8 (184.0), Dec 190.2-190.4 (190.9), Jan 194.3-194.7, March 200.5-200.3, May 205.8, July 211.5, Aug 213.0-213.5, Sept 212.0-214.0, Oct 213.0-215.0, Dec 218.0-219.0.

Soyabean Oil—Oct 20.85 (20.83), Dec 21.31-21.32 (21.40), Jan 21.74, March 22.45, May 23.05, July 23.60-23.65, Aug 23.80, Sept 23.90, Oct 24.00-24.05, Dec 24.10-24.20.

†Wheat—Dec 431¼-431½ (431½), March 457¾-457½ (457½), May 466½-466¾, July 463½, Dec 492.

WINNIPEG, Oct 19

§Barley—Oct 125.60 (127.10), Dec 127.20 (127.10), March 130.70, May 132.70, July 134.80.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 244.24 (243.14).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

EUROPEAN MARKETS

PARIS, Oct 19

Cocoa—(FFr per 100 kilos): Dec 1320-1324, March 1310-1315, May 1313-1323, July 1315-1327, Sept 1310-1330, Dec 1310-1325, March 1315-1335. Sales at call: 5.

Sugar—(FFr per tonne): Dec 1750-1760, March 1790-1795, May 1830-1845, July 1840-1880, Aug 1910-1925, Oct 1960-1975, Nov 1960-1975, Dec 1970-2000. Sales at call: nil.

ROTTERDAM, October 19.

Wheat—(U.S. $ per tonne): U.S. No 2 Dark Hard Winter, 13.5 per cent: Oct 199, Nov 198, Dec 204. U.S. No. 2 Red Winter: Oct 184, Nov 185, Dec 193. U.S. No. 3 Amber Durum: Oct 193, Nov 193, Dec 199. U.S. No. 2 Northern Spring, 14 per cent: Oct 191, Nov 194, Dec 196.50. Canadian Western Red Spring: Oct 25/Nov 25 223.

Maize—(U.S. $ per tonne): U.S. No. 3 Corn, Yellow: Oct 130.50, Nov 128.50, Dec 132, Jan/March 141, April/June 146.

Soyabeans—(U.S. $ per tonne): U.S. $ per tonne): U.S. No. 2 Yellow Gulfports: Oct 260.75, Nov 260 Dec 272.25, Jan 277.50, Feb 281.50, March 285.50, April 289, May 294 sellers.

Soyameal—(U.S. $ per tonne), 44 per cent protein: U.S. Oct 231, Nov 231 traded, Afloat 238, Oct 231, Nov 231 Dec 235, Nov/March 241, Jan/March 246. April/Sept 262 sellers. Brazil Pellets: Afloat 257, Oct 252, Nov 250, Dec 253, Nov/March 260, April/Sept 270 sellers.

INDICES

FINANCIAL TIMES

Oct. 16	Oct. 15	Month ago	Year ago
260.50	260.18	258.89	276.65

(Base: July 1, 1952=100).

MOODY'S

Oct. 15	Oct. 14	Month ago	Year ago
1004.8	1009.4	1021.4	1324.3

(December 31, 1931=100)

DOW JONES

Dow Jones	Oct. 15	Oct. 14	Month ago	Year ago
Spot	358.96	357.92	346.90	479.50
Fut'rs	376.22	375.58	371.05	500.33

(Average 1924-25-26=100).

REUTERS

Oct. 19	Oct. 16	M'nth ago	Year ago
1660.9	1664.8	1655.8	1761.0

(Base: September 18, 1931=100)

Interest again inhibited by drab industrial prospects but Gilts regain early losses to close up on balance

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Oct 12	Oct 22	Oct 23	Nov 2
Oct 26	Nov 5	Nov 6	Nov 16
Nov 9	Nov 19	Nov 20	Nov 30

* "New time" dealings may take place from 9.30 am two business days earlier.

Investment enterprise in London stock markets yesterday remained inhibited by the current gloom about UK industrial prospects together with continued uncertainty over the trend in U.S. and domestic interest rates. The final leg of the equity trading Account thus started cautiously on the general assumption that leading shares would drift lower in the absence of support awaiting announcement today of the September trade returns.

Government securities were affected by the same influences and also opened easier. However, early losses approaching ½ in longer-dated stocks were gradually regained on the lack of any fresh selling pressure, and the firmer sterling exchange rate later encouraged genuine investment support. The tone consequently brightened to the extent that all maturities closed higher on balance with gains stretching to ½ among the longs: the long tap, **Exchequer 15 per cent 1997**, rallied ¼ to 24¼ in £25-paid form.

The upturn in Gilt-edged soon found reflection in equities. Professional traders often closed bear positions and the ensuing technical recovery induced selective buying interest, largely centred on Oils and Electricals. Enthusiasm for equities faded shortly ahead of, and after, Wall Street's easier opening yesterday, and the FT Industrial Ordinary share index, up 3.7 at 1.00 pm, *gave up most of its gain* to close only 0.9 higher on the day at 464.3. The index constituents finished barely changed with the exception of Glaxo, 14 up at 388p following weekend Press comment. Overall, FT-quoted industrials ended with losses outnumbering gains by four-to-three.

The day's most important trading statement was that of *Marks and Spencer*. Interim profits up to around £86m matched market expectations and the share price eased to close marginally lower on the session at 108p. Of the sectors, Teas attracted considerable demand on speculative bid and rationalisation hopes.

Demand for Traded options improved slightly and 1,447 deals were arranged, which compares with last week's daily average of 1,124. Particular attention was paid to the soon-to-expire October series. **Marks and Spencer** recorded 373 calls on the interim results, 317 of which were arranged in the October 110's. Put activity was dominated by **Racal**, with 152 trades, and **British Petroleum**, with 118; of the latter, 100 were dealt in the October 320's.

Oldham Brewery made a quiet debut in the Unlisted Securities Market at 80p.

Gerrard/National down

Interest in the banking sector was at an extremely low ebb and features were scarce, although **Gerrard and National** lost 6 to 262p following the disappointing interim statement. **Grindlays** touched 208p before closing only a net 2 dearer at 205p on a weekend Press suggestion that the Orion Bank is negotiating to acquire a Kuwaiti-owned 10 per cent stake in the group. **Brown Shipley** relinquished 5 to 205p and **Hambros** dipped 4 to 130p.

In quietly firm Insurances, **Sun Alliance** improved 14 to 850p and **Royals** added 4 at 347p. **Commercial Union** hardened 2 to 134p as did **General Accident**, to 320p. A friendless market since the Board's recent profits warning, **Hambro Life** hardened 2 to 309p.

Notable movements in Buildings were confined to secondary issues. The company's intention to acquire Anglo International Mining Corporation for £29.8m clipped 10 from **Burnett and Hallamshire** to 900p. **Pochins**, a thin market, met with sporadic selling and shed 20 to 210p, while **Ruberoid** lost 3 to 93p following the announcement that the Trustees of the National Coal Board Pension Funds had agreed to subscribe to £1.4m shares in the company at 95p per share. Sellers predominated in the Timber sector, **Phoenix** losing 8 to 92p and **Magnet and Southerns** 4 to 132p. Elsewhere, **Bryant Holdings** touched 69p before *closing a net 3 up at 68p following* the higher annual profits and the chairman's optimistic remarks on current trading. Business in the leaders was slack, but the undertone held steady.

After opening a couple of pence easier, **ICI** picked up to 260p before drifting off after hours to close unchanged on balance at 256p; the third-quarter figures are due on October 29. **Fisons** softened 3 to 120p.

The opening of the interim dividend season provided some much-needed interest in subdued Stores. **Marks and Spencer**, as expected, announced a near-25 per cent increase in first-half *earnings but the shares, up to* 112p in immediate response to the announcement, slipped to close a net penny lower at 108p on concern over second-half trading prompted by adverse Press comment. Interim results from **Mothercare** were also in line with market estimates and the close was unchanged at 156p, after 160p. **British Home**, mid-term results expected tomorrow, held at 110p, but other leaders gave ground. **Burton** shed 3 to 105p, while **Gussies "A"** lost 5 *more to 363p. Mail-orders were* narrowly mixed; **Empire**, 64p, and **Freemans**, 102p, both firmed a couple of pence, but **Grattan** shed that amount to 74p.

Technical influences helped the Electrical majors to improve but closing levels were well below the day's best. **Thorn EMI** ended 5 better at 415p, after 423p, while **GEC** finished 4 harder at 678p, after 685p. **Racal** reacted from an initial firm level of 398p to 390p, down 3 on balance. Down 66 last week, **Standard Telephones and Cables** remained friendless at 379p, a further 10 easier. **Unitech** also lost 10, to 195p, in reaction to adverse comment, while falls of 8 and 5 respectively were seen in **Farnell**, 460p, and **Electrocomponents**, 125p. **Telephone Rentals** cheapened 2 to 278p ahead of tomorrow's interim results.

After last week's marked weakness, **Tubes** steadied and touched 98p before closing 2 dearer on the day at 96p while **British Aluminium** edged forward a penny to 39p. Elsewhere in Engineerings, **Edbro** became prominent with a gain of 7 at 62p, while **Prestwich Parker** hardened the turn to 25p, the latter following annual results. **Wyndham** rose 5 to 65p in response to Press comment. **United Engineering** relinquished 10 to 165p on further consideration of the interim figures, while **Haden** came on offer at 185p, down 7, and profit-taking clipped 6 from **Hallite** at 211p.

Leading Foods closed easier *for choice after a slow trade*, **J. Sainsbury** finishing 5 cheaper at 420p and **Tesco** 2 off at 50. Elsewhere, **Huntley and Palmer** touched 73p before closing unchanged on balance at 69p following weekend Press suggestions that **Rowntree Mackintosh**, which holds a 19.7 per cent stake in the company, may launch a full bid: **Rowntree** eased a couple of pence to 150p. Elsewhere, **Avana** succumbed to late selling and closed 7 cheaper at 238p.

Glaxo below best

Weekend Press comment highlighting the profit potential of the group's new drug, Zantac, helped to revive buying in **Glaxo** which touched 396p before closing a net 14 up at 388p. Other miscellaneous industrial leaders hardened on technical considerations. **Bowater** put on 3 to 206p as did **BOC International**, to 135p. Currently in receipt of a minority offer from Preussag AG, **Amalgamated Metal** jumped 140 to 550p on the announcement that Permodalan Nasional Berhad is bidding 550p per AM share in the market as a prelude to a bid. Comment on the chairman's optimistic statement, which accompanied disappointing preliminary figures, helped **Erskine House** to advance 5 to 40p while, still reflecting recent investment comment, **Hoskins and Horton** rose 4 afresh to 127p. **Smiths Industries**, at 297p, retrieved 4 of last Friday's fall of 10 which followed fears about the implications of a strike at BL. **Grimshawe** fell 3 to a 1981 low of 22p, following the AGM and **Granada A** fell 6 to 192p on profit-taking.

Television issues made a bright showing following reports of increased advertising revenue, **LWT A** gaining 7 to 105p and **Scottish TV A** 4 to 78p. **Anglia A** firmed 2 to 82p and **HTV** a penny to 91p.

Newspapers drifted lower in exceptionally quiet trading. **Daily Mail A**, 360p, and **Associated**, 175p, gave up 3 apiece, while the setback in preliminary profits clipped 2 from **BPM A**, 93p.

Selectively better *for most of* the session following a squeeze on bear positions, leading Properties lost momentum late and drifted back to close slightly easier on balance. **Land Securities** touched 284p before closing a net 2 off at 280p, **MEPC** settled a penny cheaper at 201p, after 204p. **Peachey**, annual results today, also ended a penny easier, at 126p, but **Great Portland Estates** hardened 2 to 186p.

Displaying reasonable gains during the "House" session, leading Oils reacted after hours on early Wall Street advices and reverted to Friday's closing levels. Elsewhere, **Burmah** finished 3 cheaper on balance at 106p, after 110p, while **KCA International** became unsettled by adverse Press comment and shed 7 to 125p. Among the occasional bright spots, **North Sea Assets** gained 4 to 44p following good annual results, while revived demand lifted **Conroy Petroleum** 15 to 155p.

South African industrials were selectively firm. *OK Bazaars* closed 15 higher at 970p, while **Barlow Rand** rose 10 to 445p, and **Unisec** 6 to 143p.

Golds easier

Plantations were mixed. Among quietly dull Rubbers, **Malakoff** lost 7 at 73p. In contrast, Teas attracted renewed speculative support on hopes of further rationalisation within the sector. **Assam Frontier** opened higher at 218p and were briskly-traded up to 263p; the price retreated sharply from this level, however, to close at 215p following news that **Sime Darby**, unchanged at 86p, *had* rejected an approach for its 24.8 per cent stake. Other Tea issues also made useful progress, although best levels were not always maintained. **New Sylhet** closed 20 to the good at 160p, while **Williamson** added 8 to 193p and **Surmah Valley** 5 to 95p. **Baraoora** rose 6 to 90p on news that Central Province Ceylon Tea has increased its stake in the company to 14.97 per cent.

The $9 decline in the bullion price to $436 an ounce had an unsettling effect on mining markets.

South African Golds were marked up initially, reflecting unease over the political situation in Poland, but failed to attract any significant interest either way. Prices consequently drifted back and lost ground for the rest of the day but closed with only minor falls. The Gold Mines index gave up 2.1 to 389.0.

In the heavyweights, losses rarely exceeded ¼, as in **Southvaal**, £19¾, while the medium and lower-priced issues generally ended around 10 cheaper, as in **Unisel**, 521p, and **Welkom**, 781p.

Harmony moved against the general trend, gaining 9 to 815p ahead of the results for the September quarter. Among other members of the Barlow Rand group reporting profits for the September quarter, **Durban Deep** eased ¼ to £13½ and **East Rand Proprietary** 17 to 815p.

Financials followed a similar pattern to Golds. In South Africans, **Anglo American Corporation** closed 5 easier at 740p and *Rand Mines Properties* a like amount off at 330p.

Rand London Coal, on the other hand, improved 4 to 88p and **Rand London Corporation** put on 5 to 185p following the proposed takeover by Burnett and Hallamshire of Anglo International Mining, which would give Burnett a 51 per cent stake in Rand London Corporation.

Persistent light selling prompted further losses in London Financials. **Rio Tinto-Zinc** dipped 10 to 465p, **Gold Fields** 9 to 486p and **Charter Consolidated** 5 to 215p.

FINANCIAL TIMES STOCK INDICES

	Oct. 19	Oct. 16	Oct. 15	Oct. 14	Oct. 13	Oct. 12	A year ago
Government Secs.	61.32	61.12	61.55	61.67	61.97	62.32	70.52
Fixed Interest	62.59	62.78	62.72	62.88	63.19	63.41	72.26
Industrial Ord.	464.3	463.4	472.2	472.4	484.6	491.0	477.5
Gold Mines	389.0	391.1	384.9	396.1	392.5	399.8	494.4
Ord. Div. Yield	6.41	6.43	6.29	6.31	6.18	6.05	7.71
Earnings, Yld. % (full)	10.87	10.92	10.88	10.72	10.46	10.17	17.43
P/E Ratio (net) (*)	11.60	11.78	12.02	11.98	12.27	12.65	7.00
Total bargains	14,617	15,342	14,971	16,400	17,630	17,788	20,728
Equity turnover £m.	—	78.01	87.58	100.36	98.94	98.57	98.20
Equity bargains	—	9,385	10,096	10,615	11,750	12,427	16,514

10 am 462.6. 11 am 463.6. Noon 466.5. 1 pm 467.7. 2 pm 466.9. 3 pm 466.9.

Latest Index 01-246 8026.

* Nil=10.49.

Basis 100 Govt. Secs. 15/11/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/5)	60.45 (25/9)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/5)	61.94 (25/9)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	429.0 (14/8)	262.6 (23/6)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Oct. 16	Oct. 15
Daily		
Gilt Edged Bargains	202.2	197.7
Equities Bargains	60.2	65.4
Equities Value	151.6	176.5
5-day Avrge.		
Gilt-Edged Bargains	186.9	223.0
Equities Bargains	70.2	77.8
Equities Value	186.0	217.9

NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (8)

CHEMICALS (1): Halstead (J.)
INDUSTRIALS (3): Amal. Metal; Hoskins & Horton; Dyson (J. & J.) A
SHOES (1): Footwear Invs.
SOUTH AFRICANS (1): OK Bazaars
TRUSTS (1): Cambrian & General
TEAS (1): Assam Frontier

NEW LOWS (27)

CORPORATION LOANS (1): LCC 6¼pc '88-90
LOANS (1): F.F.I. 14pc 1983
AMERICANS (1): Kaiser Aluminum
BEERS (1): Vaux
BUILDINGS (1): May & Hassell
CHEMICALS (1): Ciba Geigy 8¼pc Cnv. 1982-95
STORES (3): Executex; Woolworth; Great Universal
ELECTRICALS (2): Kode Int.; Wholesale Fittings
FOODS (1): Argyll Foods
INDUSTRIALS (4): British Syphon; Hallam Sleigh; Grimshawe; UKO Intl.
MOTORS (2): Automotive; Arlington Motor
PAPER (1): DRG
TEXTILES (2): Homfray; Munton Bros.
TRUSTS (5): Bankers Inv.; Hill (Philip); Capital & National; Lond. Merchant 7¼pc Cnv Uns. 2000-05; Equity Inc.
MINES (1): North West Mining

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	79	3	9
Corpns. Dom. and Foreign Bonds	5	23	42
Industrials	180	240	949
Financial and Props.	59	134	314
Oils	18	37	48
Plantations	6	5	12
Mines	16	73	78
Others	38	58	92
Totals	401	573	1,544

ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Friday's closing price pence	Day's change	Stock	No. of price changes	Friday's closing price pence	Day's change
GEC	18	674	−16	Lucas Industs.	10	191	−11
Plessey	12	292	−12	Martin (R. P.)	10	255	−20
Foseco M. Nw.	10	2½pm	−0½	Racal Elect.	10	393	−12
Glaxo	10	374	−8	RTZ	10	475	−5
Hwkr. Siddeley	10	262	−8	Tube Invs.	10	94	−4
ICI	10	256	−4	BTR	9	316	−4
KCA Intl.	10	132	−5	Beecham	9	187	−5

FRIDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Assam Frontier	215	+15	Hambro Life	309	+2
British Aerospace	174	+2	ICI	256	—
British Land	74	—	Marks and Spencer	108	−1
BP	284	—	Plessey	292	—
GEC	678	+4	Racal Elec.	390	−3
Glaxo	388	+14	Thorn EMI	415	+5

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct 19	Oct 30	Jan 21	Feb 1
Nov 2	Nov 13	Feb 11	Feb 22
Nov 16	Nov 27	Feb 25	Mar 8

For rate indications see end of Share Information Service

Stocks favoured for the call included British Aerospace, FNFC, Town and City Properties, ICL, Tubes, Tozer Kemsley and Millbourn, Marks and Spencer, Wheelock Marden "A," Marler Estates, ICI, Hawker Siddeley and Distillers. Puts were done in Charterhall and Mothercare, while doubles were *arranged in Grand Metropolitan*, BP, Consd. Gold Fields, Racal, FNFC and ICI.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon., Oct. 19, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Fri., Oct. 16 Index No.	Thurs., Oct. 15 Index No.	Wed., Oct. 14 Index No.	Tues., Oct. 13 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (210)	309.16	−0.1	11.35	5.10	10.90	309.42	314.54	314.88	321.54	284.57
2	Building Materials (25)	269.73	−0.6	16.65	6.37	6.85	271.31	274.20	276.65	281.46	250.69
3	Contracting, Construction (28)	482.86	—	19.70	5.65	5.90	482.87	486.22	494.09	503.62	423.61
4	Electricals (30)	1041.87	−0.2	8.75	2.75	14.26	1043.86	1067.40	1053.95	1075.57	888.64
5	Engineering Contractors (9)	426.27	−0.7	15.20	6.45	7.76	429.22	431.23	435.93	442.41	356.81
6	Mechanical Engineering (66)	169.22	+0.2	12.95	6.48	10.04	168.82	172.01	172.02	177.11	176.36
8	Metals and Metal Forming (13)	148.13	+1.0	9.73	8.00	13.92	146.62	148.20	149.33	151.29	154.26
9	Motors (21)	84.77	−0.2	—	7.95	—	84.95	87.04	88.06	89.74	94.62
10	Other Industrial Materials (18)	329.38	—	10.02	6.86	12.14	329.28	332.22	339.97	347.66	0.00
21	CONSUMER GROUP (197)	244.51	−0.2	14.33	6.63	8.60	244.98	247.87	249.62	254.36	236.25
22	Brewers and Distillers (20)	252.35	−0.3	17.78	7.66	6.78	253.05	254.20	254.52	260.31	274.14
25	Food Manufacturing (21)	241.00	−0.5	16.58	6.99	7.27	242.22	242.48	243.85	246.78	216.92
26	Food Retailing (15)	493.85	−1.4	10.00	3.67	12.10	500.73	505.52	505.44	512.15	388.49
27	Health and Household Products (7)	312.01	+1.3	9.50	4.91	12.49	308.15	314.19	317.04	323.48	223.06
29	Leisure (24)	387.12	—	10.52	5.68	11.79	387.03	393.87	393.69	401.91	340.53
32	Newspapers, Publishing (12)	430.83	−0.1	14.67	6.97	9.77	431.21	430.93	433.86	434.00	436.91
33	Packaging and Paper (13)	122.40	+0.5	15.27	8.70	7.97	121.82	122.94	125.69	127.82	121.44
34	Stores (45)	212.96	−0.6	13.51	6.23	9.88	214.32	219.19	222.39	228.45	236.80
35	Textiles (23)	137.81	+0.4	9.20	6.67	15.12	137.25	139.70	140.11	142.92	124.72
36	Tobaccos (3)	243.78	+0.4	23.32	10.68	4.94	242.70	243.18	245.26	246.44	218.73
39	Other Consumer (14)	247.23	+0.3	9.15	7.02	16.69	246.46	246.45	245.98	251.82	0.00
41	OTHER GROUPS (80)	202.80	+0.2	12.18	6.98	10.52	202.40	204.33	206.01	209.49	216.78
42	Chemicals (16)	262.96	+0.3	6.06	6.83	27.69	262.10	265.59	265.51	270.36	291.52
44	Office Equipment (5)	95.68	+0.5	17.86	8.94	6.73	95.17	96.07	95.77	97.51	103.92
45	Shipping and Transport (13)	450.48	+0.3	23.53	8.14	5.06	449.17	454.31	460.52	466.76	555.11
46	Miscellaneous (46)	263.52	—	14.22	6.32	8.52	263.64	264.82	259.81	274.20	279.86
49	INDUSTRIAL GROUP (487)	260.76	−0.1	12.92	6.09	9.59	261.04	264.51	265.81	271.81	251.29
51	Oils (13)	653.82	−0.1	21.78	8.63	5.20	654.62	662.56	648.20	668.79	936.83
59	500 SHARE INDEX	292.63	−0.1	14.51	6.55	8.33	292.95	296.78	296.83	303.27	305.47
61	FINANCIAL GROUP (119)	236.66	+0.1	—	6.42	—	236.48	237.98	237.89	242.24	251.66
62	Banks (6)	249.41	—	35.80	7.55	3.29	249.39	250.84	250.32	255.67	259.43
63	Discount Houses (10)	249.07	−1.0	—	9.10	—	251.67	253.96	251.05	250.53	300.60
64	Hire Purchase (3)	214.83	—	14.48	8.61	9.56	214.83	219.60	216.92	220.21	228.22
65	Insurance (Life) (10)	241.09	+0.3	—	6.62	—	240.44	243.59	245.25	247.82	259.25
66	Insurance (Composite) (10)	156.09	+0.9	—	8.58	—	154.68	155.29	155.32	158.43	168.31
67	Insurance Brokers (8)	394.29	+0.3	11.72	6.12	11.61	392.98	394.21	398.39	403.01	343.74
68	Merchant Banks (13)	139.02	−1.0	—	5.79	—	140.40	140.10	143.05	144.29	155.54
69	Property (50)	416.31	−0.3	4.66	3.42	29.05	417.74	422.32	416.53	425.87	465.28
70	Miscellaneous (9)	161.81	−0.3	20.04	6.84	6.06	162.36	163.14	164.89	167.48	161.11
71	Investment Trusts (110)	268.52	−0.3	—	5.96	—	269.22	269.46	273.56	278.60	286.66
81	Mining Finance (3)	236.86	−2.0	14.61	6.01	8.23	241.71	243.31	244.84	251.68	268.10
91	Overseas Traders (18)	396.29	+0.1	11.93	7.53	10.65	396.05	399.21	405.17	408.79	459.41
99	ALL-SHARE INDEX (750)	281.75	−0.1	—	6.50	—	282.12	285.17	285.59	291.52	296.96

FIXED INTEREST

	PRICE INDICES	Mon., Oct. 19	Day's change %	Fri., Oct. 16	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	103.79	+0.17	103.79	0.18	9.18
2	5-15 years	98.05	+0.48	97.95	0.37	11.03
3	Over 15 years	99.24	+0.46	98.78	—	12.32
4	Irredeemables	108.43	+0.51	107.88	—	9.05
5	All Stocks	100.04	+0.37	99.85	0.18	10.71
6	Debentures & Loans	77.86	+0.04	77.82	—	8.88
7	Preference	58.83	+0.15	58.74	—	6.14

	AVERAGE GROSS REDEMPTION YIELDS		Mon., Oct. 19	Fri., Oct. 16	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	13.69	13.73	11.67
2		15 years	14.22	14.23	11.66
3		25 years	14.25	14.27	11.66
4	Medium Coupons	5 years	16.34	16.42	13.12
5		15 years	16.05	16.13	13.22
6		25 years	15.51	15.58	12.96
7	High Coupons	5 years	16.10	16.20	13.23
8		15 years	16.23	16.32	13.45
9		25 years	15.70	15.77	13.15
10	Irredeemables †		13.95	14.01	11.17
11	Debs & Loans	5 years	16.59	16.61	13.88
12		15 years	16.74	16.75	13.79
13		25 years	16.74	16.75	13.70
14	Preference †		16.75	16.78	14.48

† Flat yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 26½p.

RECENT ISSUES

EQUITIES

Issue price p	Amount Paid up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing price p	+ or −	Div p. or amount	Times covered	Gross yield	P.E. ratio
‡110	F.P.	13/11	133	120	Habitat	124	+2	u3.6	1.4	4.2	23.2
62	F.P.	2/10	56½	43	Jeavons Eng.	45	+2	b3.75	1.7	11.9	5.9
28	F.P.	30/10	30	24	✠Lon. Private Health	27	......	—	—	—	—
§100	F.P.	30/10	103	96	MarineAdv.SailTs£1	96	−1	—	—	—	—
—	F.P.	—	180	136	Nippon Electric	136	......	Q525%	2.9	1.1	30.0
100	F.P.	26/10	105	94	Precious Metals Tst.	102	−3	—	—	—	—
—	F.P.	18/9	14	10	Stewart Ent. Warrs.	11	......	—	—	—	—
—	F.P.	16/10	165	155	✠UtdFrdl'ylng.B.R.V.	158	......	rh8.25	—	5.7	—
§15	F.P.	25/9	17½	7	✠Willaire Systems 10p	10	......	—	—	—	—
¶¶	F.P.	11/9	15	6	Do. Rest. Div. 10p	6	......	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price £	+ or −
‖	Nil	26/10	½pm	¼pm	Austin (F.) Leyton 11¾% PtlyCnv.Red 1984	¼pm	...
¶¶	F.P.	—	64	62½	Brooke Bond Leibig 8¾% Deb. '87/92	63	−½
**	F.P.	—	99½	92	Hawley Leisure 12½% Cum. Pref.	92	...
‡100	F.P.	—	100⅛	98	Nat'wide Bdg Society 14¾% Bds 25/8/82	98⅜	−⅛
‡100	F.P.	—	99¾	98⅝	do 15¾% Bds (29/9/82)	98⅝	...
§100	F.P.	—	99⅞	99⅝	do 16¼% Bds (27/10/82)	99⅝	...
100	£10	—	101	100¼	Portsmouth 10% Prf. 1986	100½	−⅛
—	—	—	3p	½p	Sterling Credit Warrants	2¼p	......
97.33	£30	—	29¾	27	Utd. Mexican States 16½% Ln. 2008	28¾	+¼
¶100	F.P.	24/9	101½	100½	York Waterworks 10% Red. Pref. '85	101	......

"RIGHTS" OFFERS

Issue price p	Am'unt paid up	Latest Renunc. date ●	Latest Renunc. date ■	1981 High	1981 Low	Stock	Closing price p	+ or −
14	Nil	30/10	20/11	6pm	3pm	British Benzol	3pm	......
275	125p	13/7	2/12	182	104	BP	142	+4
76	F.P.	13/10	12/11	78½	70	Brown (J)	70	−5
182	Nil	23/10	27/11	9pm	½pm	Foseco Minsep	1pm	−1½
90	Nil	21/10	26/11	12pm	½pm	Heelamat	12pm	......
12½	F.P.	9/10	18/9	30½	19	Jantar	19	......
110	F.P.	7/9	19/10	133½	106	Laird Grp	113	......
107	F.P.	30/9	8/1	121	98	Morgan Crucible	100	......
112	F.P.	25/9	6/11	125	102	Trusthouse Forte	112	+1
250	F.P.	22/10	19/11	262	262	Viner's Units†	263	......

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1981. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Comprising 50 Ordinary of 1p and £1 of 10 per cent Loan 1988.

OFFSHORE & OVERSEAS-contd.

Capital International Fund S.A.
43 Boulevard Royal, Luxembourg
Capital Int. Fund US$25.75 — —

Central Assets Management Ltd.
Channel Hse., St. Helier, Jersey. 0534-73673
Central Assets £200.65 200.71 +0.25 —

Charterhouse Japhet
1 Paternoster Row, EC4 01-248 3999
Emperor Fund* $7.26 7.62 — —
Hispano $43.09 45.29 — 6.34
*Prices at Sept. 30. Next sub. day Nov. 1.

Chawton Commodities (Isle of Man) Ltd.
29, Athol Street, Douglas, I.o.M. 0624 21724
Normandy Metal Trust 1.3796 1.4522 — 4.00
Normandy Com. Tst. 1.3232 1.3929 — 4.00

For Clive Investments (Jersey) see Invicta Investment Management

Cornhill Ins. (Guernsey) Ltd.
P.O. Box 157, St. Peter Port, Guernsey
Intnl. Man. Fd. 228.0 248.0 — —

Cortexa International
10a, Boulevard Royal, Luxembourg.
Cortexa Intel. US$90.20 — −0.68 —

Craigmount Fixed Int. Mngrs. (Jersey)
P.O. Box 195, St. Helier, Jersey. 0534 27561
Gilt Fund (Jsy.) 87.2 87.3 — 15.46
Valued weekly Wednesday.

DWS Deutsche Ges. F. Wertpapiersp
Grueneburgweg 113, 6000 Frankfurt
Investa DM32.52 34.15 −0.25 —

Delta Group
P.O. Box 3012, Nassau, Bahamas
Delt. Inv. Oct. 16 $3.64 3.82 — —
London Agents: Kleinwort Benson. Tel: 01-623 8000

Deutscher Investment-Trust
Postfach 2685 Biebergasse 6-10 6000 Frankfurt

هكذا من الأصل

هكذا من الأصل

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED

Schroder Unit Trust Managers Ltd.
48 St. Martins Lane, WC2 Dealings 0705 27733

Capital	[illegible]	[illegible]	+0.1	2.64
(Accum. Units)	217.9	[illegible]	+0.2	2.64
Income Fnd.	213.4	[illegible]	-0.7	8.93
(Accum. Units)	376.4	404.7	-1.3	8.93
Gen	[illegible]	[illegible]	-0.8	4.49
(Accum. Units)	[illegible]	[illegible]	-1.2	4.49
Europe	22.8	24.5	+0.1	2.86
(Accum. Units)	27.5	[illegible]	+0.1	2.86
Smaller Co.'s	146.5	[illegible]	-1.1	[illegible]
American	55.5	[illegible]	+0.1	0.69
(Accum. Units)	55.5	59.0	+0.1	0.69
Tokyo	[illegible]	57.1	-0.7	0.22
(Accum. Units)	53.2	57.1	-0.7	0.22
Gilt & Fixed	42.0	44.2		13.14
(Accum. Units)	44.2	46.5	-0.1	13.14
Australian	50.5	[illegible]	-0.2	2.94
(Accum. Units)	[illegible]	[illegible]		2.94
Singapore & Malay	—	—		—
(Accum. Units)	—	—		—
*Pn & C. Fd Sept. 22	[illegible]	[illegible]		4.72
*Recovery Oct. 13	[illegible]	[illegible]		4.43
*Spec. Ex. Oct. 13	[illegible]	[illegible]		2.38
Euro Except. Oct. A	110.0	119.5		3.03

*For tax exempt funds only.

Scottish Amicable Inv. Mngrs. Ltd.
150 St. Vincent St. Glasgow 041-221 8844

Equity Trust Accum.	93.8	101.3	-0.6	6.05

Scottish Equitable Fund Mgrs. Ltd.
28 St. Andrews Sq. Edinburgh 031-556 9101

Income Units	59.8	63.6		5.38
Accum. Units	78.8	83.8		5.38

Dealing day Wednesday.

INSURANCE & PROPERTY

OFFSHORE & OVERSEAS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1981 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
100⅛	99⅝	Exch. 12¾pc 1981‡‡	99⅞xd	......	12.79	16.02
98⅜	95⅞	Treas. 8½pc '80-82‡‡	98⅛	......	8.66	16.05
96⅜	91⅞	Treasury 3pc '82‡‡	96⅝	......	3.11	13.80
107	99⅝	Treasury 14pc '82‡‡	99½	......	14.07	15.26
99⅞	98⅝	Treas. Variable '82§§	99⅜	–⅛	15.94	16.69
96⅛	93⅞	Treasury 8¼pc '82	95⅛	+⅛	8.67	15.63
96⅝	93⅞	Exch. 9¼pc 1982	94¾	+⅛	9.76	15.51
95¼	92⅝	Exch. 8¾pc 1983	94	+⅛	9.31	14.20
92⅞	84⅞	Exch. 3pc 1983	89⅝	......	3.34	11.42
99⅜	95	Treasury 12pc 1983‡‡	96⅛	+⅛	12.48	15.15
99½	96⅜	Treas. Variable '83§§	99½xd	–⅛	13.46	16.33
91½	90⅛	Treasury 9¾pc '83	91½	+⅜	10.11	14.90
101⅞	95¼	Exch. 13½pc '83	96½xd	+⅛	13.99	15.59
94⅛	89¼	Exch. 10pc 1983	90¼	+⅛	11.08	15.45
88	83½	Funding 5½pc '82-84‡‡	84¼	......	6.53	13.88
96⅛	90⅛	Exch. 11¼pc 1984	91	+⅜	12.36	15.93
103⅝	95¼	Exchequer 14pc 1984	96⅝xd	+¼	14.53	15.84
82⅜	77¼	Exch. 3pc 1984	77¾	......	3.86	13.15
98⅜	90½	Treasury 12pc 1984	91¾	+⅜	13.08	15.59
107¼	97	Treasury 15pc 1985	97⅛	+⅛	15.44	16.07
98⅜	89	Exch. 12pc Cnv. '85	89⅜	+¼	13.43	16.16
76	71	Treasury 3pc 1985	71⅞xd	......	4.17	13.10
96⅝	86⅛	Treasury 11½pc 1985	86⅜	+⅛	13.31	16.47
98⅜	86¼	Exch. 12¼pc 1985	88⅛xd	+⅛	13.86	16.29
97⅛	85¾	Exch. 11¾pc '86	85⅞	+⅛	13.68	16.37
70⅛	65¾	Treasury 3pc 1986	66⅛xd	......	4.49	12.84
97⅞	85¼	Treasury 12pc '86	85⅞	+⅛	13.97	16.43
83⅜	79¼	Treasury 8½pc '84-86‡‡	79¼	......	10.73	14.73
		Five to Fifteen Years				
103⅞	94	Exch. 13¼pc 1987	94¾	+¼	14.56	15.78
81⅛	71½	Funding 6½pc '85-87‡‡	72¾xd	+⅛	8.96	13.75
99½	82½	Treas. 12pc 1987	82⅞xd	+⅜	14.40	16.47
81⅛	73¾	Treasury 7¾pc '85-88‡‡	74⅝	+¼	10.65	14.47
65½	58⅝	Transport 3pc '78-88	59¾	+⅛	5.10	12.15
92¾	79½	Treasury 11½pc 1989	80⅛	+⅜	14.51	16.43
67¼	59⅞	Treasury 5pc '86-89	63xd	+⅛	8.21	13.01
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
45	32	Acmex 50c	45	......	Q2.5c	—	3.5
41	14	ACM 20c	23	−1	—	—	—
21	9	Argosy Gold NL 25c	9	......	—	—	—
229	134	Bond Corp.	139	+1	Q10c	2.3	4.5
112	70	Bougainville I Kina	71	−2	‡Q25.4c	1.0	‡
302	194	CRA 50c	195	......	Q19c	1.7	5.9
25	10½	Canada Northwest	10½	−½	—	—	—
35	13	Carr Boyd 20c	15	−1	—	—	—
415	43	Central Pacific	48	......	—	—	—
35	9	Cons. Gold Min. N.L. 50c	9	......	—	—	—
47	13	Cultus Pacific N.L.	16	−1	—	—	—
68	22	Eagle Corp. 10c	30	......	—	—	—
40	36	Endeavour 20c	26#	......	—	—	—
560	310	G. M. Kalgoorlie 25c	480	−5	Q32½c	ϕ	4.2
25	8	Great Eastern	9	......	—	—	—
185	80	Greenbushes Tin 50c	85	−5	Q6c	1.9	4.3
275	138	Hampton Areas 10p	148	+2	2.5	3.1	2.6
168	36	Haoma Gold N.L.	36	−2	—	—	—
85	20	Intl. Mining	25	......	—	—	—
118	28	Jimberlana (50cFP)	28	......	—	—	—
15	10	Kalbara Min 20c	11	......	—	—	—
245	135	Kitchener NL 25c	165	−5	—	—	—
105	16	Leichardt Explo.	18	......	—	—	—
430	275	Meekatharra	380	......	—	—	—
70	40	Metals Ex. 50c	43	−2	¶Q3c	ϕ	4.1
38	20	Metramar Mins. 20cts	22	......	—	—	—
20	10	Mid East Mins. NL	10½	......	—	—	—
290	190	M.I.M. Hldgs. 50c	214	−10	Q15c	ϕ	4.4
21	7½	Minefields Expl. 25c	7½	−2	—	—	—
20	13	Newmetal 20c	16	......	—	—	—
69	40	Nickelore N.L.	44	......	—	—	—
204	149	North B. Hill 50c	162	−3	Q18c	ϕ	7.0
84	50	Nth. Kalgurli	71	−2	—	—	—
200	94	Nth. Mining Corp.	176#	......	ϕ—	—	—
122	24	N. West Mining N.L.	24	−2	ϕ—	—	—
150	106	Oakbridge 50c	113	−4	Q6½c	ϕ	3.6
185	90	Oilmin N. L.	100	......	—	—	—
188	116	Pacific Copper	116	−4	—	—	—
*423	140	Pancont'l 25c	140	−4	—	—	—
88	42	Paringa M&Ex.5p	72	......	ϕ—	—	—
525	370	Peko-Wallsend 50c	370	−10	Q15c	—	2.5
43	16	Pelsart Res NL	17	−1	—	—	—
120	58	Sehtrust A	62	−2	—	—	—
157	18	Southern Pacific	21	......	—	—	—
100	40	Swan Resources 20c	50	......	—	—	—
316	75	Vultan Mins 20c	80	+5	—	—	—
18½	8	West Coast 25c	10½	−½	—	—	—
130	90	Westn. Cont 50c	95	......	—	—	—
335	227	Westn. Mining 50c	265	−11	Q14c	ϕ	3.2
27	14	Westmex	14	......	—	—	—
76	38	Whim Creek 20c	44	......	—	—	—
101	26	York Resources	26	......	—	—	—

Tins

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
16	8	Amal Nigeria 1p	8	......	‡6.0	—	—
300	210	Ayer Hitam $M1	210	......	‡Q205c	1.0	‡
210	98	Geevor	160	−5	—	—	—
11	8	Gold & Base 12½p	9	......	—	—	—
650	475	Gopeng Cons.	475	......	‡30.0	1.8	‡
450	310	Hongkong	320	......	21.0	ϕ	9.4
160	110	Idris 10p	155#	......	‡9.0	0.8	‡
*29	10	Jantar 12½p	19	......	‡1.5	4.0	11.3
98	63	Kamunting $M0.50	63	......	Q27½c	0.8	0.0
665	363	Killinghall $M1	490	......	¶Q66.7c	ϕ	3.1
114	88	Malay Dredging 10c	105	......	ϕ¶Q38c	0.9	8.4
68	30	Pahang	32	......	‡0.63	0.8	‡
118	90	Pengkalen 10p	105	......	3.5	0.6	4.8
360	290	Petaling $M1	290	......	‡Q180c	1.4	‡
35	19	South Crofty 10p	24#	......	—	—	—
225	185	Sungei Besi $M1	195	......	Q310c	1.1	35.9
185	90	Supreme Corp. $M1	90	......	ϕQ15½c	ϕ	3.9
118	100	Tanjong 15p	100	......	3.5	3.7	5.0
90	60	Tongkah H. Tin 15m	60	......	Q23%	0.4	7.7
410	220	Tronoh $M1	220	......	‡Q110c	1.2	‡

Copper

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
410	165	Messina R0.50	350	......	†Q45c	4.7	7.4

Miscellaneous

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
175	35	Anglo-Dominion	40	+3	—	—	—
25½	13	Burma Mines 10p	13	......	0.75	0.9	8.2
330	85	Colby Res. Corp.	150	−5	—	—	—
330	200	Cons. Murch. 10c	290	......	†Q30c	1.8	5.9
10	6	††Explaura Gold	9½	......	—	—	—
98	47	††Hemerdon 10c	62	......	—	—	—
180	65	Highwood Res.	100	......	—	—	—
505	260	Northgate C$1	305	+5	—	—	—
633	372	R.T.Z.	465	−10	16.0	2.3	5.0
£150½	£95½	Do. 9½% Cnv. Ln. '95-2000	£106	−1	Q9½%	—	f9.2
103	13	††SPD Minerals 10p	26	......	—	—	—
47	20	Sabina Inds. C$1	24	......	—	—	—
44	21	††S'west Cons. 10p	25	......	—	—	—
585	465	Tara Exptn. $1	565	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- \# Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▮ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ★★ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xl ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	41	......
Bertrams	8	......
Bdg'wtr. Est. 50p	405	......
Craig & Rose £1	£13	......
Finlay Pkg. 5p	21½	......
Graig Ship. £1	£20	......
Higsons Brew	63	......
Holt (Jos) 25p	585	......
I.O.M. Stm. £1	150	......
Pearce (C. H.)	780	......
Peel Hldgs.	105	......
Sheff. Refrshmt	90	......
Sindall (Wm.)	190	......

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£92¼	+⅛
Nat. 9¾% 84/89	£68⅝	......
Fin. 13% 97/02	£72¼	......
Alliance Gas	60	+5
Arnott	212	......
Carroll (P.J.)	77	......
Concrete Prods.	90	......
Helton (Hldgs.)	23	......
Irish Ropes	41	......
Jacob	65	......
T.M.G.	16	......
Unidare	60	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew	6½	House of Fraser	14	Utd. Drapery	6½
BOC Intl.	11	I.C.I.	18	Vickers	18
B.S.R.	7	"Imps"	5	Woolworths	5
Babcock	9	I.C.L.	4	**Property**	
Barclays Bank	36	Ladbroke	13	Brit. Land	7
Beecham	17	Legal & Gen.	20	Cap. Counties	11
Blue Circle	35	Lex Service	10	Land Secs.	30
Boots	18	Lloyds Bank	28	MEPC	20
Bowaters	19	"Lofs"	3½	Peachey	15
Brit. Aerospace	17	London Brick	7	Samuel Props.	13
B.A.T.	29	Lucas Inds.	18	Town & City	2¼
Brown (J.)	8	"Mams"	11	**Oils**	
Burton Ord.	12	Mrks. & Spncr	10	Brit. Petroleum	28
Cadburys	8	Midland Bank	26	Burmah Oil	11
Courtaulds	5½	N.E.I.	8	Charterhall	6
Debenhams	7	Nat. West. Bank	38	KCA	12
Distillers	17	P & O Dfd.	18	Premier	6
Dunlop	7½	Plessey	26	Shell	28
Eagle Star	25	Racal Elect.	34	Tricentrol	25
F.N.F.C.	3½	R.H.M.	5	Ultramar	40
Gen. Accident	30	Rank Org. Ord.	18	**Mines**	
Gen. Electric	55	Reed Intnl.	25	Charter Cons.	21
Glaxo	28	Sears	5	Cons. Gold	40
Grand Met.	16	Tesco	5½	Lonrho	7
G.U.S. 'A'	44	Thorn EMI	30	Rio T. Zinc	45
Guardian	30	Trust Houses	15		
G.K.N.	12	Tube Invest.	18		
Hawker Sidd	25	Turner & Newall	20		
		Unilever	50		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 32

FINANCIAL TIMES

Tuesday October 20 1981

Industry struggles to £1.1bn surplus

By Max Wilkinson, Economics Correspondent

SOME of the desperate measures companies have taken to survive the recession swung industry into a financial surplus of £1.1bn in the first half of the year, compared with a deficit of £1bn in the second half of last year.

The improvement reflects cuts in dividends, the running down of stocks and increased receipts.

In spite of this swing into surplus on the capital account and the increase in undistributed income of UK industrial and commercial companies from £3.8bn in the second half of last year to £5.6bn in the first half of 1981, profits remain at a low level.

This easing of financial pressure enabled companies to pay back £1.9bn of debt in the first half, much of it incurred in the beginning of last year when net borrowing by industry rose to £4.8bn.

In spite of his slight lifting of the gloom over the company sector, which perhaps contributed to a mood of cautious optimism in the early summer, the outlook apears bleak.

Profits remain at the low level of £7.6bn for the first half of the year, only a little up on the £7.5bn recorded for the second half of 1980 and well down on the £9.2bn for the second half of 1979.

One continuing influence on companies' capital accounts is the increase in profits from the North Sea oil sector, probably about £700m up on the figure for the second half of 1981. But the continued reduction in stocks—about £2.8bn in the latest half year—clearly cannot continue indefinitely.

The effects of the Civil Service strike, which gave temporary benefits to the company sector in the first half of the year, will result in increased pressure as VAT back-payments are made, probably right up to the end of the year.

The latest figures, from the Central Statistical Office, show that fixed capital formation in the first half of the year was £7.6bn, a little down on the record nominal figure of £8bn in the previous half year.

Total borrowing, which includes borrowing from banks and the purchase of commercial bills by the Bank of England, fell to £1.1bn in the first half of the year, compared with £3.9bn in the previous half year. Liquid assets were built up by £2.9bn against £3.8bn in the previous half year.

Investment abroad rose to £1.7bn compared with £600m in the previous half year.

Industrial and Commercial Companies Capital Account and net borrowing requirement Second quarter 1981.

Retail sales fall, Page 8

Weather

UK TODAY

COLD, windy. Rain at first with hill fog in South, sunny later. Elsewhere, showers and sunshine.

London, S.E., S.W. and Central Southern England, E. Midlands, Channel
Rain and hill fog at first, sunny or clear intervals later. Max. 11C (52F).

N.E. and N.W. Scotland, Argyll, Orkney, Shetland
Rain with suny intervals. Gales. Max. 8C (46F).

Rest of England and Scotland, Wales, IoM, N. Ireland
Sunny periods, rain later. Max. 8C (46F).

Outlook: Cold, night frost, sunny, showers.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	22	72	London	C	13	55
Algiers	S	29	84	L. Ang.†	F	16	61
Amsdm.	C	11	52	Luxmbg.	C	8	46
Athens	S	25	77	Luxor	F	36	97
Barclna.	C	20	68	Madrid	S	23	73
Belfast	R	11	52	Majorca	F	25	75
Belgrd.	C	16	61	Malaga	S	26	79
Berlin	R	6	43	Malta	C	24	75
Biarritz	F	17	63	M'chstr.	C	12	54
Bmghm.	R	13	55	Melbne.	F	21	70
Blackpl.	C	12	54	Mx. C.†		—	—
Bordx.	F	17	63	Miami†	F	22	72
Boulgne.	C	13	55	Milan	S	17	63
Bristol	C	12	54	Montrl.†	C	5	41
Brussels	C	12	54	Moscow	C	4	39
Budpst.	F	18	64	Munich	F	15	59
Cairo	S	31	88	Nairobi	C	26	79
Cardiff	R	13	55	Naples	F	23	73
Cas'b'ca	F	31	88	Nwcstl.	C	13	54
Cape T.	S	30	86	N York†	F	9	48
Chicg.†	F	−2	28	Nice	F	21	70
Cologne	C	10	50	Nicosia	S	28	82
Cpnhgn.	C	7	45	Oporto	S	23	73
Corfu	S	25	77	Oslo	R	7	45
Denver†	F	4	39	Paris	F	14	57
Dublin	R	12	54	Perth	F	18	64
Dbrvnk.	S	22	72	Prague	C	13	55
Ednbgh.	C	12	54	Rykjvk.	F	−1	30
Faro	F	25	77	Rhodes	S	24	75
Florence	C	21	70	Rio J'o†		—	—
Frankft.	F	11	52	Rome	F	23	73
Funchal	F	22	72	Salzbrg.	F	15	59
Geneva	C	12	54	S F'cisc†	C	10	50
Gibraltar	F	25	77	S'iago.†		—	—
Glasgow	C	11	52	Stckhm.	C	6	43
G'rnsey	R	13	55	Strasbg.	C	13	55
Helsinki	C	6	43	Sydney	R	15	59
H. Kong	C	27	81	Tangier	F	25	77
Innsbrk.	S	16	61	Tel Aviv	S	28	82
Invrnss.	C	10	50	Tenerife	F	24	75
I.o.Man	C	12	54	T'ronto†	C	2	36
Istanbul	S	20	68	Tunis	F	28	82
Jersey	C	13	55	Valencia	F	22	72
Jo'burg	R	14	57	Venice	S	19	66
L. Plms.	C	24	75	Vienna	C	15	59
Lisbon	S	24	75	Warsaw	F	8	46
Locarno	S	18	64	Zurich	F	14	57

C—Cloudy F—Fair. R—Rain. S—Sunny.
† Noon GMT temperatures.

Greeks prepare to form new socialist government

BY RUPERT CORNWELL IN ATHENS

MR ANDREAS PAPANDREOU, leader of the Panhellenic Socialist Movement (Pasok), which won the Greek elections on Sunday, will be asked to form a government this morning by President Constantine Karamanlis.

The outgoing Government of the New Democracy Party, swept from power by Pasok in the general election, held its final Cabinet meeting yesterday under Mr George Rallis, the outgoing Prime Minister.

Mr Rallis will formally resign this *morning* and Mr Papandreou is expected to proceed swiftly with the major appointments in his new Government. Key Ministers will probably be sworn into office on Wednesday.

Despite earlier fears, there seemed yesterday to be no panic on currency or money markets at the arrival of a Socialist government. On Sunday night Mr Papandreou urged the business community to back him. He claimed he had pledges of help, if required, from France and West Germany to prevent a run on the drachma.

The election result confirms the trend towards a polarisation of the electorate that was clear throughout the campaign.

Last night Pasok was heading towards 48 per cent of the total vote, and 174 seats in the 300-seat Parliament.

New Democracy, with all but a handful of outlying results in, had dropped back from 42 per cent of the poll in 1977 to 36 per cent, entitling it to 113 seats. The remaining 13 seats will go to the Moscow-line Communist Party of the Exterior, which captured 10.9 per cent of the vote.

Parties representing the centre and far right disappear from the national Parliament.

A key Cabinet post (either Defence or the Foreign Ministry) is expected to go to Mr George Mavros, the former leader of the disbanded Centre Union, who threw his backing behind the Pasok leader early in the campaign.

Ministerial jobs may also go to two other Pasok celebrities: Lady Amalia Fleming, widow of the discoverer of penicillin, and the actress Melina Mercouri, who is being tipped for the Culture portfolio.

Foreign capitals will follow the new Government's progress with intense interest. It is likely to be much more aggressive and nationalistic in international affairs over issues ranging from Greek membership of the EEC and Nato to relations with Turkey.

At home, the focus is on Mr Papandreou's commitment to sweeping social change, including the nationalisation of 10 major groups.

The U.S. Administration, meanwhile, has shown that it wants to establish good relations with the new Athens Government, despite the frequently hostile attitude of Mr Papandreou towards the U.S.

A letter from President Ronald Reagan is on its way to the new premier asserting that it is in Greece's interest to continue the existing military bases agreement. The four American bases in the country house 6,000 U.S. personnel.

Above all, the U.S. and other Western countries will be relieved that Pasok has scored an outright victory, enabling it to govern free of any reliance upon Communist support.

ICL and Mitel in marketing deal

BY GUY DE JONQUIERES

ICL, BRITAIN's largest computer manufacturer, has reached a reciprocal marketing agreement with Mitel, the fast-growing Canadian telecommunications manufacturer which is already supplying equipment to British Telecom.

ICL has obtained non-exclusive marketing rights to a powerful new private electronic telephone exchange (PABX) which Mitel will manufacture at a plant in Caldicot, Gwent, South Wales. The Canadian company will also market some smaller ICL computers.

Mr Robb Wilmot, ICL's managing director said yesterday that the agreement provided the last major element in his strategy to turn the company into one of Europe's leading suppliers of advanced electronic office systems.

The Mitel deal follows collaborative agreements which ICL has concluded recently to make and market a microcomputer workstation designed by Three Rivers, a small American company, and to sell big computers made by Fujitsu of Japan in exchange for Fujitsu's microchip technology.

ICL plans to start selling the Mitel PABX under its own brand name in 1983, initially in the UK. Details of overseas marketing arrangements have still to be completed, although ICL is expected to sell to private customers while Mitel continues to concentrate on national telecommunications administrations.

ICL must obtain British Telecom's approval to sell the PABX in the UK. It appears confident that this will be granted. Export prospects will depend on whether national authorities in other countries agree to open their markets to the exchange.

Mr Wilmot admitted yesterday that the market for sophisticated office information systems is still at an early stage of development, and demand is expected to come mainly from large customers.

But he said the Mitel deal would enable ICL to straddle both sides of the debate between those companies which believed that advanced office automation systems would be based on computers and those which thought they would be built around electronic telephone exchanges.

The smallest verision of the Mitel PABX, equipped to handle 150 exchange lines, will cost about £75,000, while the biggest 10,000-line model will cost about £6m. ICL will also supply new Mitel terminals whihc can handle both speech and computer data.

Mitel is building a new 295,000 sq ft factory in Caldicot which will come into operation next summer. It plans to manufacture six PABX models there, including a smal lone for which it has received orders worth £10m from British Telecom.

The company said yesterday that it was confident of substantial sales both in the UK and abroad, and that if demand met expectations it might be seeking another factory in Britain by 1984.

BIGGAM TO HEAD FINANCE

MR ROBIN BIGGAM, finance director of the Carrington Viyella textile group, is to become finance director of ICL. He replaces Mr Murray Stuart who, as previously announced, is going to Metal Box, Anthony Moreton writes.

Mr Biggam was seconded to the troubled Carrington Viyella from ICI, which has a holding of just under 50 per cent in the textile company, in September last year. It was always envisaged his tenture of office would be 12 months. This was extended by 10 weeks to smooth the transfer.

He is being succeeded at Carrington Viyella by Mr Jeff Hewitt, of Boston Consulting Group, who will become director of finance and corporate development.

Mr Hewitt played a part with Carrington Viyella in drawing up the report that recommended a major rationalisation programme, since implemented.

Mr Biggam's appointment is part of the restructuring of the computer company's board. At Government instance Mr Christopor Laidlaw, a former deputy chairman of BP, has taken over as chairman, from Mr Philip Chappell, and Mr Robb Wilmot as chief executive, from Dr Chris Wilson.

Men and Matters, Page 18

Oil sale Continued from Page 1

third, after Shell-Esso and British Petroleum, in the league table of companies operating in the UK sector of the North Sea.

It produces 110,000 barrels of crude a day and is the operator on the Thistle and Beatrice Fields.

It has interests in the Dunlin, Murchison, Ninian, Statfjord, Bray and Hutton oilfields as well as in the Viking gasfield.

The corporation had pre-tax profits of £309m last year but the figure is expected to rise to at least £500m by 1983-84. The market value of the whole of BNOC has been estimated at about £1.5bn.

BNOC's trading arm is to remain in the State sector. The corporation normally has the right to buy up to 51 per cent of all the oil produced in the UK sector of the North Sea. The Government is evidently retaining the trading business in the public sector for strategic supply reasons.

Mr Lawson said the Government hoped to float off a majority stake in BNOC in the next financial year. He would not say exactly how large the majortiy stake would be, but there was speculation last night that it would be a straight 51 per cent.

The Government is expected to encourage small investors as well as large companies to buy shares in the corporation, partly to make it harder for any future Government to re-nationalise BNOC.

Privatisation of the corporation is not expected to make much difference to its internal management and organisation.

The British Gas Corporation's North Sea oil interests are estimated to have a market value of between £550m and £900m. It has a stake in five commercial fields, Beryl, Beryl B, Montrose, Fulmar, Hutton and North-West Hutton.

Two of these, Beryl and Montrose, are already in production, and the others are expected to be commissioned in the next few years.

But the loss of its monopoly rights on gas supplies mainly from the North Sea to industry will be just as bitter a blow to the corporation as the loss of its North Sea oil interests.

Australia buys U.S. fighter bombers

By Patricia Newby in Canberra

AUSTRALIA has chosen the F/A-18 Hornet made by McDonnell Douglas of the U.S., as a new frontline fighter bomber for the Royal Australian Air Force, opening the way for the placing of orders worth about A$2bn (£1.25bn).

Mr Jim Killen, Australian Defence Minister, will announce the order in Parliament today. It is the biggest in the country's history and is part of a A$5bn rearmament programme.

Thoe Hornet has been chosen in preference to the F-16, made by another U.S. group, General Dynamics, and replaces the ageing Mirage.

The overall rearmament programme includes the buying of 75 Hornets, 10 Lockheed Orion P3-C long-range meritime patrol aircraft and new 105mm field guns for the Army.

The Government is also considering replacement aircraft carriers for HMAS Melbourne, the Navy's flagship. The short list includes the possible purchase of the UK's three Invincible class carriers.

The exact cost of the Hornet deal will be kept secret but the present price for U.S. defence forces is around U.S.$25m (£13.6m) per aircraft. Australia will receive its aircraft from 1984 and the contract includes provision for cost escalation.

There has been controversy over the cost because the Hornet is expected to be at least A$500,000 dearer than the F-16, and General Dynamics had been prepared to sign a fixed price contract.

But the RAAF has argued that the attrition rate of the F-16 would probably be higher than that for the Hornet, making it only marginally cheaper over the life of the aircraft.

The deal will bring substantial benefit to the Australian aircraft industry under a 1973 agreement which provides that work or technology equivalent to the value of one-third of military equipment purchases from the U.S. should be transferred to Australia.

Continued from Page 1

Miners

worker currently on £80.85 a week to £6 a week for face-workers on £111.95.

Another £7m would be spent on raising the bonus payment for achieving agreed output targets by £1 to £31 a week, and the balance of £6m kept aside for dealing with the union's subsidiary demands.

Mr James Cowan, board member for industrial relations, said the offer was the amount adjusted right in the industry's present state. "Politics don't enter into it at all." He would not be drawn on whether the board had more to offer when negotiations resume.

Asked about the union's stalling tactics Mr Gormley said: "Why should we be in the forefront? Why should it be seen to be so urgent that we are leading everything? We shall find ways and means of getting some more money, of that I am sure."

Meanwhile the NUM Left is expected to announce in the next day or two that Mr Scargill has secured the overwhelming support of the politically "marginal" Durham coalfield, as well as a third of the collieries in Mr Chadburn's home territory of Nottinghamshire.

● BL's tactics for dealing with its pay dispute and its threat of liquidation were discussed yesterday by Sir Michael Edwardes, the company's chairman, and Mr Patrick Jenkin, Industry Secretary. Mr Jenkin last week pledged the Government's support for Sir Michael's stand.

THE LEX COLUMN

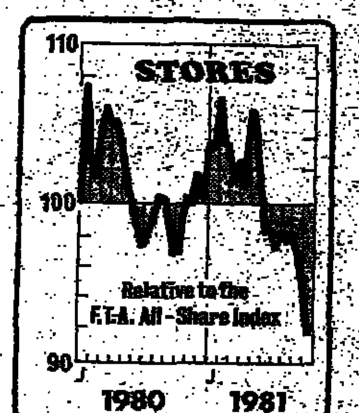
British Gas over a barrel

The Government has suddenly remembered its pledge to roll back the frontiers of the state, subject of course to nice points of doctrine. Thus it is quite acceptable to have a monopoly supplier of gas to domestic users, but quite wrong for it to possess oil interests. Equally, although a wholly-owned state oil company is a bad idea, a large minority holding by the Government is perfectly appropriate. So the authorities intend to offer a majority of the British National Oil Corporation to the public (excluding BNOC's trading company which handles royalty crude) and to oblige British Gas to sell off all its oilfields.

Raising cash is claimed not to be a primary objective of the operation, but this is rather hard to swallow given the Government's frantic efforts to wring money out of the People's Bond. The British Gas properties should bring in something over £½bn, while the general estimate for 51 per cent of BNOC is £¾bn, although this may be a little on the high side if the oil market remains slack. Many of BNOC's fields are already operating at peak capacity, and of all privatisations this may be the most tempting for a future left-wing government to reverse.

While BNOC is likely to cooperate eagerly over the sale, British Gas is bound to be obstructive, especially since the Government is simultaneously proposing to dismantle its monopoly rights over the purchase of gas and its sale to industry. The transactions will not go through until the next financial year, when the proceeds will be deemed, under the Treasury's unfathomable precepts, to reduce the public sector borrowing requirement.

Index rose 0.9 to 464.3



Marks and Spencer

Marks and Spencer's figures are extremely good for the six months to September, underlining a performance that is unlikely to be matched by other retailers. After the 11 per cent dip in the same period of 1980, pre-tax profits have jumped by 25 per cent to £86m, maintaining the momentum of the half year immediately preceding.

The key is volume. Marks has pushed up UK non-food sales volume by perhaps 7 per cent in existing stores, while the gain in food is running at about 12 per cent. Demand for recently introduced lines such as babywear, books and toiletries is now picking up strongly. Gross margins have recovered after the heavy discounting of last year, while net margins have improved in spite of a 12 per cent increase in labour costs. Prices remain under tight control, with a rise of perhaps 2 per cent over the year.

The *outcome* for the year should comfortably exceed £200m, while the prospective yield is only barely below the market average at 6 per cent. Nevertheless, the shares slipped 1p yesterday to 108p, as some investors seem to be switching into recovery stocks in the sector even though Marks seems to have discovered the formula for recessionary times and the squeeze on real disposable incomes is now getting underway with a vengeance. Meanwhile, the company is continuing to generate plenty of cash.

Mothercare

While Marks and Spencer gains market share, Mothercare continues to lose it. Volume in existing UK stores has fallen by 5 per cent in the six months to September, and pre-tax profits have dropped by 18 per cent to £6.6m, which is 38 per cent below the level of two years ago.

Mothercare's past success has brought a draft of competitors into its territory, including Marks, C and A, Boots and British Home Stores. Their onslaught has underlined deficiencies in the Mothercare operation on pricing, quality and breadth of ranges. The company is now working on these areas, and the strength of the management suggests that there is a good chance of repairing the damage eventually.

The performance in the U.S. too is disappointing, and the company has postponed further expansion. Meanwhile, there will be little short-term relief for shareholders. The cost cutting programme has been completed and net margins are currently under heavy pressure. The shares were unchanged yesterday at 156p, down from 256p earlier in the year, but a yield of 4.6 per cent offers little support.

Gerrard & National

Gerrard and National Discount's bearish stance—it went on record last May as expecting higher interest rates—has plainly served it well in the half-year just ended. But even so it has barely made a profit, which poses the question of whether any of the three other discount houses making interim statements this week will have to report losses. Running margins were good for much of the April-October period, but there have been several traps for the bulls, culminating in the September decision by the authorities to stop massaging interest rates down and allow them to shoot up suddenly by four points. Any house dabbling in gilt-edged at the wrong time could have been caned severely.

It could all look very different, of course, when rates eventually come down again. But for the moment Gerrard continues to run a very short (though quite large) book and the interim dividend is held unchanged to give a yield of 7.8 per cent at 262p.

National Freight

In some ways, the National Freight Company is an ideal candidate for an "employee buy-out." It has a committed management and lots of marketable property assets to use as security. Its capital spending is flexible since most of it goes on short-term assets like vehicles. It also comes into the buy-out with a strong balance sheet and a properly funded pension scheme.

All the same, the banking consortium is certainly taking on a mouthful. It is putting up nearly £50m of the £53½m purchase price, and is willing to take less than a fifth of the equity. As a rough guide, the minimum contribution from management to total funds subscribed in a buy-out is sometimes put at around 10 per cent. At current rates, interest payments will be about £11m a year, and capital repayments of £5m a year are to start in two years time. The banks insist that their motives are strictly commercial—but the prospectus will be a subject of special interest.

Malaysian PM confirms trade curb

BY KEVIN RAFFERTY IN KUALA LUMPUR

MALAYSIAN GOVERNMENT contracts will normally be awarded to non-British companies even if a British concern submits a lower tender, Datuk Seri Dr Mahathir Mohamad, Malaysia's Prime Minister, has confirmed.

The Prime Minister said in an interview that there was no formal trade boycott, "so to say that £200m (the annual value of British exports to Malaysia) is at stake is utter nonsense." But he said the previous special relationship between Britain and Malaysia cannot go on.

As far as the Government and government bodies are concerned, all tenders for supplies won by British companies will now have to be reconfirmed by the Prime Minister's department. Dr Mahathir suggested that any British bid would have to be exceptional to be finally chosen.

"Where it is unavoidable, of course, they may still go to those British firms, but where it is possible to have an alternative source he will award it to the alternative source," he said.

"There would have to be extremely favourable conditions before British companies can be considered, otherwise we would take the second best."

Some civil servants might go so far as to refuse to entertain British bids at all. "I am not going to give specific instructions that this should not happen."

The new regulation applied not only to British companies but also to Malaysian companies and Malaysian agents using British goods as the basis of their tender. But it would not apply to goods manufactured in Malaysia by British firms "because basically they are Malaysian firms manufacturing in Malaysia."

State governments have also agreed to apply the new directive.

The restrictions will not apply to British companies seeking investment in Malaysia. Their applications will be processed in the normal way. "Investment is not involved, investment still goes on," though recent British investment was small compared to that by Japanese and American companies, said the Prime Minister.

The new policy has already claimed its first victim. A London Chamber of Commerce mission to Malaysia, due to be led by Lord Jellicoe, has been advised that now would not be an opportune time to come, according to Malaysian officials.

Both Dr Mahathir and other Malaysian ministers stressed that the new directives were not the result of impulse or of petulance. They stemmed from what were felt to be snubs and hostility by British concerns towards Malaysia over a number of years and over issues such as air agreements, education policy, British ministers' attitudes to Malaysian ministers, and, above all, accusations of backdoor and frontdoor nationalisation when Malaysia was buying shares of companies with their main assets in Malaysia.

The Prime Minister said the British attitude seemed to be that "everybody can buy but the Malaysians cannot buy" company shares which were openly traded.

He reacted to claims that the Malaysian rules might frighten away other foreign investors, by saying that he had talked to other investors like the Japanese and they understood Malaysian policies. He accused the British press of trying to frighten off other people" from investing in Malaysia.

Local British companies seem to have decided that there is little that can be done immediately to repair the damage.

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